

Annual Financial Statements

for

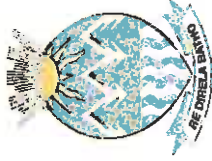
THABA CHWEU LOCAL MUNICIPALITY

FOR THE YEAR ENDED 30 June 2012

AFS rounding: Rounding to the nearest rand

CONTACT INFORMATION

Name of Municipal Manager:	Mr. BS Koma
Name of Chief Financial Officer:	Mr. S Mabitsela
Contact telephone number:	(013) 235 7300
Contact e-mail address:	munmanager@thabachweu.gov.za



THABA CHWEU LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

General information

Members of the Council		
Executive Mayor		ANC Cllr. MM Marobela
Speaker		ANC Cllr. VS Magagula
Chief whip		ANC Cllr. M C Mashego
Member of the Executive Committee Community and corporate services	MMC	ANC Cllr. PP Chima
Member of the Executive Committee Planning and Development	MMC	ANC Cllr. IT Mokoena
Member of the Executive Committee Finance Technical and Engineering	MMC	ANC Cllr. MC Masilela
Ward Councillor	WARD 1	ANC Cllr. M T Mashego
Ward Councillor	WARD 2	ANC Cllr. A K Mathala
Ward Councillor	WARD 3	ANC Cllr. J B Nikosi
Ward Councillor	WARD 4	ANC Cllr. S A Manzini
Ward Councillor	WARD 5	ANC Cllr. M Mahangu
Ward Councillor	WARD 6	ANC Cllr. P S Mokgosiinyane
Ward Councillor	WARD 7	ANC Cllr. J Lekhuleni
Ward Councillor	WARD 8	ANC Cllr. S E Molobela
Ward Councillor	WARD 10	DA Cllr. Q Lawrence
Ward Councillor	WARD 11	ANC Cllr. N M Masemola
Ward Councillor	WARD 12	DA Cllr. H S Bosshoff
Ward Councillor	WARD 13	ANC Cllr. J M Kock
Ward Councillor	WARD 14	DA Cllr. F Essack
Proportional Representative Councillor	proportional	ANC Cllr. R P Malatsi
Proportional Representative Councillor	proportional	ANC Cllr. S Mashego
Proportional Representative Councillor	proportional	ANC Cllr. N S Sambo
Proportional Representative Councillor	proportional	DA Cllr. E N Mashego
Proportional Representative Councillor	proportional	DA Cllr. P M Mashego
Proportional Representative Councillor	proportional	DA Cllr. A B Rabie
Proportional Representative Councillor	proportional	PAC Cllr. J A Molele

Municipal Manager

Mr. BS Koma

Acting Chief Financial Officer

Mr. S Mabitsela

Grading of Local Authority

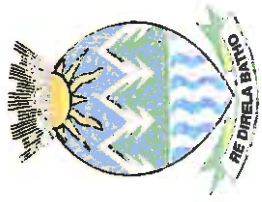
Low Capacity

Auditors

Auditor-General of South Africa

Bankers

ABSA Bank Ltd



THABA CH'WEU LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

General information (continued)

Registered Office:

Mashishing

Physical address:

Cnr Vijioen & Sentraal Street
Mashising
1120

Postal address:

PO Box 61
Mashising
1120

Telephone number:

(013) 235 7300

Fax number:

(013) 235 1108

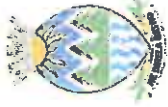
E-mail address:

municipalmanager@thabachweu.gov.za



THABA CHWEU LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

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THABA CHWEU LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

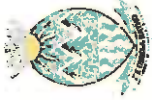
	Note	2012 R	2011 R
ASSETS			
Current assets			
Cash and cash equivalents	1	960,377	6,855,924
Trade and other receivables from exchange transactions	2	27,560,137	22,104,084
Other receivables from non-exchange transactions	4	13,531,179	10,369,034
Other current financial assets	5	12,197,150	-
Inventories	11	4,582,202	1,530,122
VAT receivable		1,839,606	-
Non-current assets			
Investments	6	9,361,269	9,887,785
Investment property carried at fair value	35	149,388,200	-
Property, plant and equipment	7	961,520,267	1,604,120,976
Total assets		1,180,940,387	1,654,867,925
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	8	146,916,234	70,775,654
Accruals Staff Bonus		1,206,202	-
Consumer deposits	9	3,789,366	3,246,727
Creditors unallocated deposits		9,854,158	-
VAT payable	10	-	9,524,154
Current provisions	12	13,296,926	9,115,041
Bank overdraft	1	2,872,039	-
Current portion of unspent conditional grants and receipts	13	1,401,473	4,097,558
Current portion of borrowings	14	507,495	507,485
Non-current liabilities			
Non-current borrowings	14	9,252,402	9,759,906
Total liabilities		189,096,296	107,026,525
Net assets		991,844,091	1,547,841,400
NET ASSETS			
Reserves revaluation of assets		(1,001,893,687)	(1,604,120,976)
Accumulated surplus / (deficit)		10,049,596	56,279,576
Total net assets		(991,844,091)	(1,547,841,400)

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14/2/2013

DATUM/DATE



THABA CHWEU LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2012

	2012 R	2011 R
Revenue		
Revenue from exchange transactions	141,278,079	119,182,305
Service charges	114,598,313	110,900,217
Rental of facilities and equipment	567,039	516,154
Interest earned - external investments	-	39,252
Accrued staff bonus	1,840,008	
Interest earned - outstanding receivables	6,237,501	441,787
Department transport agency fees net income	7,413,663	3,807,915
Other income	10,621,554	3,476,980
Revenue from non-exchange transactions	130,878,689	115,448,489
Property rates	34,816,501	32,761,694
Fines	901,276	1,599,164
Government grants and subsidies	95,160,913	81,087,631
Total revenue	272,156,768	234,630,794
Expenses		
Employee related costs	85,972,876	70,294,075
Remuneration of councillors	7,261,688	4,539,763
Expanded Public Works Program Expenditure	5,715,648	-
Bad debts	53,606,034	-
Depreciation	940,641	30,979,933
Corrections to moveable assets	-	-
Internal departmental charges	-	4,576,497
Depreciation and amortisation expense	27,403,653	1,432,872
Repairs and maintenance	1,563,607	79,284,755
Finance costs	93,307,066	9,563,324
Bulk purchases	30,765,628	16,798,112
Contracted services	32,588,098	31,968,897
Grants and subsidies paid	36,190,048	
General expenses		
Total expenses	375,314,987	249,418,228
Surplus / (deficit) for the period	(103,158,218)	(14,787,434)
Profit / (loss) on fair value adjustment investment property	149,388,200	-
Surplus / (deficit) for the period	46,229,982	(14,787,434)





THABA CHWEU LOCAL MUNICIPALITY
CASH FLOW STATEMENT
 AS AT 30 JUNE 2012

	2012 R	2011 R
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Sales of goods and services		3,807,915
adjustment	4,058,433	144,253,157
sales of goods and services	138,506,383	1,599,164
finances		81,087,631
Grants	95,160,913	481,039
interest received	6,237,501	3,476,980
other receipts	12,031,006	
Payments		
Employee costs	263,216,419	218,436,578
Suppliers	98,950,212	74,833,838
Interest paid	87,597,602	110,202,689
Other payments	1,563,607	1,431,152
	75,104,998	31,968,897
	(7,222,183)	16,269,310

Cashflow from investing activities		
Proceed from sale of investments	525,516	-
	525,516	
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(507,494)	4,811,064
Repayment of borrowings	(507,494)	3,203,019
	-	1,608,045
Net increase / (decrease) in net cash and cash equivalents	(7,204,161)	21,080,374
Net cash and cash equivalents at beginning of period	6,855,924	(7,868,407)
Net cash and cash equivalents at end of period	(8,767,586)	6,855,924
	(1,911,662)	14,714,331

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THABA CHWEU LOCAL MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE PERIOD TO 30 JUNE 2012

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14/2/2013

DATUM/DATE

	Revaluation Reserve R	Other reserves R	Total: Reserves R	Accumulated Surplus/(Deficit) R	Total: Net Assets R
Balance at 30 June 2009	5,251,996		5,251,996	91,719,941	96,971,937
Changes in accounting policy	-5,251,996	41,106,272	35,854,276	-35,854,276	0
Other items	0	0	0	12,072,218	12,072,218
Surplus / (deficit) for the period	0	0	0	-14,000,283	-14,000,283
Balance at 30 June 2010	0	41,106,272	41,106,272	53,057,599	-84,153,971
OPENING BALANCE 1 JULY 2010					-84,153,971
Subtotal Transaction for 2010/2011					5,126,361
Correction journals for 2010/2011				-71,212,133	
Correction journals for 2010/2012				76,368,494	
Subtotal Net internal corrections OVERS AND UNDER AG DIRECTIVES AND EXCEPTION CORRECTIONS					47,468,555
AG overs and unders corrections for 2010/2011 first group				83,836,085	
AG overs and unders corrections for 2010/2011 second group				-83,836,085	
Surplus / (deficit) for the period 2010/11					-1,710,332
CLOSING BALANCE 30 JUNE 2011					-56,279,577
ASSETS TAKEN UP INTO ACCUMULATED SURPLUS ON THE ACTUAL COST METHOD refer to note 32 and note 33					1,604,120,976
CLOSING NET EFFECT					1,547,841,399

ACCUMULATED SURPLUS 30 JUNE 2012	10,049,596
OPENING BALANCE UNAPPROPRIATED SURPLUS 1 JULY 2011	56,279,577
STOCK WATER ADJUSTED AGAINST ACCUMULATED SURPLUS	
DECREASE IN ABSA CAPITAL INVESTMENTS	
STOCK HELD FOR AUCTION	
SUNDRIES VATABLE WRITTEN BACK FROM PRIOR YEAR	
UNIT TRUST PRICE INCREASES FAIRBARN CAPITAL	
CORRECTION OF VAT RECEIVABLE PER SARS STATEMENT	
DECREASE IN INVESTMENT	
PROVISION CREDITOR MIG UNSPENT	
MOVEMENT OTHER CORRECTIONS	
STAT OF POSITION INTERNAL CORRECTIONS	
(PROFIT) / LOSS current year	-45,239,961
RESERVE REVALUATION OF ASSETS	
BALANCE AT 30 JUNE 2012	-1,634,120,976
2011/2012 REVALUATION PROCESS : ADDITIONS TO FAR	
2011/2012 REVALUATION PROCESS : CORRECTIONS TO FAR	
2011/2012 REVALUATION PROCESS : DEPRECIATION CALCULATION	
2011/2012 REVALUATION PROCESS : INTERNAL CORR JNS NETT	595,924,813.81
REVALUATION OF LAND FILL SITES PROVISION FOR REHABILITATION	6,302,474

-1,001,693,652

TOTAL NETT ASSETS



THABA CHWEU LOCAL MUNICIPALITY

ACCOUNTING POLICIES

GE-AUDIT
AUDITED

ACCOUNT NAME

14/2/2013

DATE/TIME/DATE

1 BASIS OF ACCOUNTING

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost

The financial statements have been prepared in accordance with the standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board (ASB) and approved by the Minister of Finance as effective unless otherwise stated

The ASB has issued a directive which sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

Where a Standard of GRAP is approved as effective, it replaces the equivalent Statement of IPSAS, IFRS or SA GAAP. Where a standard of GRAP has been issued, but not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying paragraph 1.2 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

In the process of applying the Municipality's accounting policies, management has made the following significant accounting judgments, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.1.1 Operating lease commitments – Municipality as lessor

Municipality has entered into commercial property leases on its property portfolio. The Municipality has determined that it retains all the significant risks and rewards of ownership of these properties, and so accounts for them as operating leases.

1.1.2 Pension and other post-employment benefits

The cost of defined benefit pension plans and other employment medical benefits is determined using actuarial valuations when available. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.1.3. Impairment of trade receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

1.1.4. Property, plant and equipment

The useful lives of assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

1.1.5 Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions, and when measuring contingent liabilities respectively. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.1.6 Held -to-maturity financial assets

Management has reviewed the held-to-maturity financial assets in the light of its capital management and liquidity requirements, and has confirmed the positive intention and ability to hold those assets to maturity.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard on GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

1.5

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 8 Interest in Joint Ventures - issued August 2006
GRAP 18 Segment Reporting - issued March 2005
GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008
GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007
GRAP 103 Heritage Assets - issued July 2008

The following standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

IAS 19 Employee Benefits - effective 1 January 2009
IFRIC 17 Distribution of Non-cash Assets to Owners - effective 1 July 2009

2 PROPERTY, PLANT AND EQUIPMENT

2.1 INITIAL RECOGNITION

Property, plant and equipment are stated at fair value. Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

The Municipality maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for any economic gain, and thus no residual values are determined other than for motor vehicles.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where appropriate, the term of the relevant lease and recognised in the Statement of Financial Performance.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

2.2 SUBSEQUENT MEASUREMENT - REVALUATION MODEL (BUILDINGS AND INFRASTRUCTURE)

The DRC value was reviewed for the year ended 30 June 2011 (and applied retrospectively where practicable), and any changes therein have been implemented in accordance with the requirements of GRAP 17, GRAP 3 and ASB Directive 4.

or

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise all the Property, plant and equipment in accordance with GRAP 17 for the financial years up to 30 June 2010. The municipality has identified and measured all Property, plant and equipment in terms of GRAP 17 for the financial year ended 30 June 2011. The balances of the Property, plant and equipment have been retrospectively restated accordingly.

Subsequent to initial recognition, land and buildings are carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

The Municipality has taken advantage of the transitional provisions permitted by the ASB as set out in Directive 4 in the 2010/2011 AFS with respect to GRAP 17.

Buildings and infrastructure was revaluated at DRC

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

2.3 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

2.4 DEPRECIATION AND IMPAIRMENT

2.4.1 Impairment of property, plant and equipment

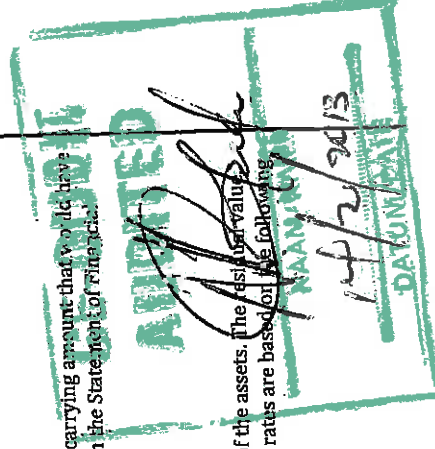
Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

2.4.2 Depreciation rates

Depreciation is calculated on cost, using the straight-line method, over the estimated useful lives of the assets. The depreciation method and useful life, if not insignificant, are reassessed annually. The depreciation rates are based on the following estimated useful lives:

Infrastructure	Other
Roads and Paving	30





Electricity	45	Bins and containers	5
Water	50	Office equipment	5
Sewerage	50	Furniture and fittings	7-10
		Landfill sites	50
Community		Computer equipment	3
Buildings	30		
Recreational Facilities	20-30		
Security	5		
Halls	30		
Libraries	30		
Parks and gardens	20-30		

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

2.5 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

3 INTANGIBLE ASSETS

3.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

3.2 SUBSEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

3.3 AMORTISATION AND IMPAIRMENT

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software

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The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

3.4 DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

4 INVESTMENT PROPERTY

4.1 INITIAL RECOGNITION

4.1.2 INVESTMENT PROPERTIES

Investment properties are held to earn rental income, and for capital appreciation, and are stated at fair value less accumulated depreciation. Investment properties are written down for impairment where considered necessary.

Investment property excludes owner-occupied property that is used in the production or supply of goods or services, or for administrative purposes, or property held to provide a social service. Investment property other than vacant land is depreciated on the straight-line basis over the useful lives of the assets estimated at 20 to 50 years.

The cost of self-constructed investment property is the cost at date of completion.

SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

5 BIOLOGICAL ASSETS

The Municipality does not have any biological assets

6 NON-CURRENT ASSETS HELD FOR SALE

6.1 INITIAL RECOGNITION

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

6.2 SUBSEQUENT MEASUREMENT

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition applies only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition. Assets classified as held-for-sale are measured at the lower of the asset's carrying amount or fair value less cost to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

7 INVENTORIES

7.1 INITIAL RECOGNITION

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. In general, the basis of determining cost is the weighted average cost of commodities.

Water and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end. A rate for raw water is approved by Council and used for valuation.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs, if the costs occur frequently and are separately identifiable.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

When inventories are sold, distributed, written off or consumed, the carrying amount of those inventories is recognised as an expense in the period in which the related income is recognised, unless that cost qualifies for capitalisation to the cost of another asset. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs

7.2 SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the first-in, first-out method OR the weighted average method.

8 FINANCIAL INSTRUMENTS

8.1 INITIAL RECOGNITION

Financial instruments are initially recognised at fair value.

8.2 SUBSEQUENT MEASUREMENT

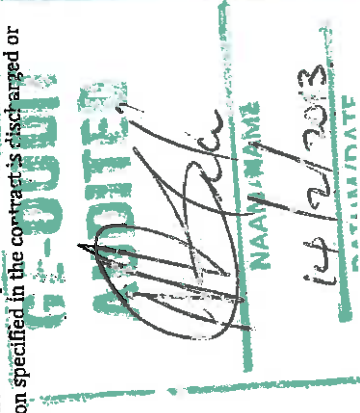
Financial instruments are recognised when the Municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the Statement of Financial Performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Municipality has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets

The Municipality classifies its financial assets into the following categories:

- held-to-maturity.



- loans and receivables.

- available-for-sale;
and
- fair value through
profit and loss.

The classification depends on the purpose for which the financial asset is acquired, and is as follows:

- Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity, where the Municipality has the positive intent and ability to hold the investment to maturity. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of
- Financial Performance in the period in which it arises.
- Receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.
- Available-for-sale financial assets are financial assets that are designated as available for sale, and are subsequently measured at fair value at Statement of Financial Position date, except for investments in equity instruments that do not have quoted market prices in an active market, and whose fair value cannot be reliably measured, which shall be measured at cost. Any adjustment is recorded in the Statement of Changes in Net Assets in the period in which it arises. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. The fair value of financial instruments classified as available-for-sale is their quoted bid price at the Statement of Financial Position date.
- Fair value through profit and loss financial assets include derivative financial instruments used by the Municipality to manage its exposure to fluctuations in interest rates attached to certain of its external borrowings interest swap agreements. Any fair value adjustment is recorded in the Statement of Financial Performance in the period in
 - which it arises. To the extent that a derivative instrument has a maturity period of longer than a year, the fair value of these instruments will be reflected as a non-current asset or liability, and is subsequently measured at fair value at Statement of Financial Position date. An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

8.2.1

INVESTMENTS

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

8.2.2

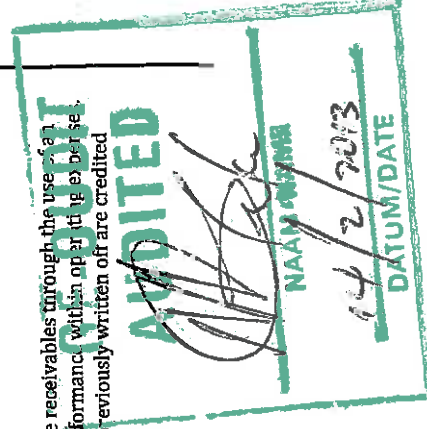
TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. The amortised cost of a financial asset is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility allowance account) for impairment or uncollectibility. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

8.2.3

TRADE PAYABLES AND BORROWINGS



Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

8.2.4 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

9 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the investor has significant influence and which is neither a controlled entity nor a joint venture of the investor. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies. The municipality exercises judgement in the context of all available information to determine if it has significant influence over an investee.

The equity method involves recognising the investment initially at cost, then adjusting for any change in the investor's share of net assets of the associate since it acquired it. A single line-item in the Statement of Financial Performance presents the investor's share of the associate's surplus or deficit for the year.

The municipality commences accounting for an investment in an associate from the date that significant influence exists and discontinues the application of the equity method when it no longer has significant influence over an associate. Investments that are retained in whole or in part are subsequently accounted for in accordance with the accounting policies on subsidiaries, joint ventures or financial instruments depending on the nature of the retained investment.

The municipality uses the most recent available financial statements of the associate in applying the equity method. Where the reporting periods of the associate and the municipality are different, separate financial statements for the same period are prepared by the associate unless it is impracticable to do so. When the reporting dates are different, the municipality makes adjustments for the effects of any significant events or transactions between the investor and the associate that occur between the different reporting dates. Adjustments are made to ensure consistency between the accounting policies of the associate and the municipality.

10 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

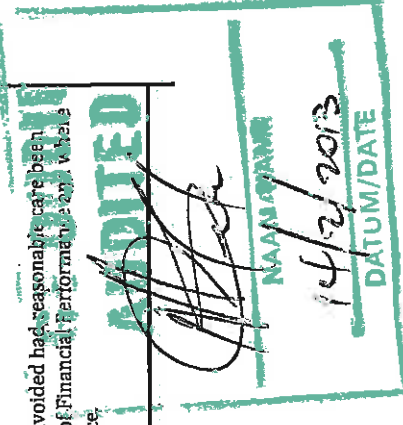
11 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

12 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

13 PROVISIONS



Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

13.1. ENVIRONMENTAL REHABILITATION PROVISIONS

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the Municipality's policy, taking into account current technological, environmental and regulatory requirements.

The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

14 LEASES

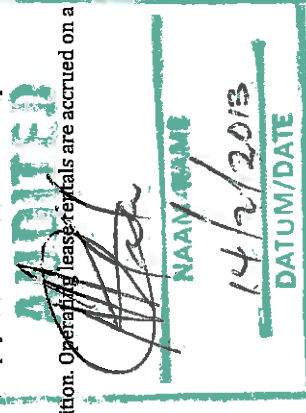
14.1 MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

14.2 MUNICIPALITY AS LESSOR



Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

15 REVENUE

15.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer. Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

15.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable.

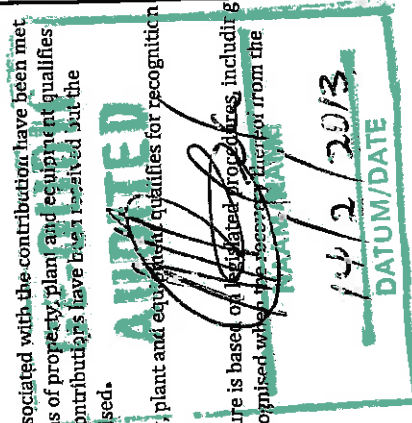
Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery accrues from the responsible councillors or officials is virtually certain.

15.3 GRANTS, TRANSFERS AND DONATIONS



15.3.1 CONDITIONAL GRANTS AND RECEIPTS

Income received from conditional grants, donations and subsidies is recognised to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised and funds invested until it is utilised. Interest earned on the investment is treated in accordance with grant conditions.

15.3.1.1 Grants and receipts of a revenue nature

Income is transferred to the Statement of Financial Performance as revenue to the extent that the criteria, conditions or obligations have been met.

15.3.1.2 Grants and receipts of a capital nature

Income is transferred to the Statement of Financial Performance to the extent that the criteria, conditions or obligations have been met.

16 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

17 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are (when available) actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. Specific actuarial information in respect of individual participating municipalities is unavailable due to centralised administration of these funds. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

18 CONSTRUCTION CONTRACTS AND RECEIVABLES

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

19 IMPAIRMENT OF ASSETS

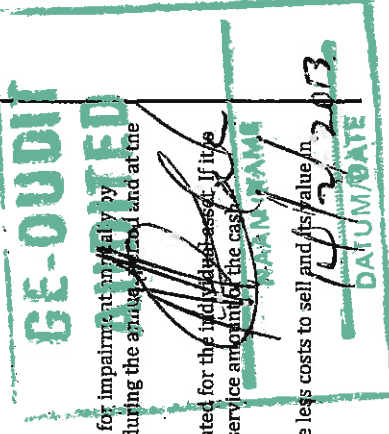
The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount for the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.



If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.





THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
CASH AND CASH EQUIVALENTS (DISCLOSURE: MFMA S125 (2) (a))		
Cash and cash equivalents consist of the following		
Cash on hand	6,690	6,855,924
Cash at bank (ABSA SABIE, ABSA LYDENBURG, FNB)	953,987	6,849,234

The Municipality has the following bank accounts: -

BANK ACCOUNT ABSA LYDENBURG	30 JUNE 2012	POSITIVE	857,472
BANK ACCOUNT ABSA SABIE	30 JUNE 2012	POSITIVE	21,998
BANK ACCOUNT FNB	30 JUNE 2012	POSITIVE	74,218
BANK ACCOUNT STANDARD BANK	30 JUNE 2012	OVERDRAFT	(2,872,039)

Bank Account (PRIMARY BANK ACCOUNTS)

ABSA BANK LYDENBURG BRANCH ACCT NO 1010002018
ABSA BANK SABIE BRANCH ACCT NO 4058264705
Cash book balance at beginning of year ABSA Sabie
Cash book balance at beginning of year ABSA Lydenburg
Cash book balance at end of year
Bank statement balance at beginning of year (ABSA SABIE & LYDENBURG consolidated prior year)
Bank statement balance at end of year (ABSA SABIE & LYDENBURG consolidated prior year)

TOTAL ABSA SABIE BANK STATEMENT
TOTAL ABSA LYDENBURG BANK STATEMENT

	6,755,063	1,856,001
	-	101,804
	6,755,063	6,755,063
	1,754,197	1,754,197
	6,755,063	6,755,063
	21,998	
	857,472	

In terms of sect MFMA sect 8(1)(b) the ABSA Sabie branch account is the primary bank account for the financial year 2011/12.

Current Account (OTHER BANK ACCOUNTS)

STANDARD BANK ACCT NO 243203365 NELSPRUIT BRANCH

Cash book balance at beginning of year
Cash book balance at end of year
Bank statement balance at beginning of year
TOTAL STANDARD BANK BALANCE

	-	-
	-	-
	(2,872,039)	

In terms of sect MFMA sect 8(1)(b) the STANDARD BANK account will become the primary bank account for the financial year 2012/13 on 1 July 2012.

FIRST NATIONAL BANK LYDENBURG ACCT NO 62026324046

Cash book balance at beginning of year
Cash book balance at end of year
Bank statement balance at beginning of year
Bank statement balance at end of year
Cash on hand
TOTAL FNB BANK BALANCE

	94,171	94,171
	-	94,171
	94,171	2,076,437
	74,218	94,171
	-	6,690
	74,218	8,555,924

In terms of sect MFMA sect 8(1)(b) the FIRST NATIONAL BANK account were closed during the financial year 2011/12 and this year will be the final disclosure of this account.

TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

2.1 Trade receivables

	2012	2012	2012	2012	2012
	Balance before corrections	Internal charges correction	Gross Balances	LESS: Provision for Doubtful Debts	DEBTORS WITH CREDIT BALANCES
as at 30 June 2012	19,907,212	-	-	-	Net Balance trade receivables from exchange transactions
Service debtors	27,317,503	-	-	-	5,402,498
Debtors Electricity	8,495,648	-	-	-	7,413,532
Debtors Water	3,097,557	-	-	-	2,305,582
Debtors Sewerage	-	-	-	-	840,627
Debtors Refuse	-	-	-	-	27,580,137
Total	58,817,821	-	-	-	-
debtors : parked debtors ("Capital" and "Current")	82,501,558	-	-	-	-
Total Trade receivables from exchange transactions	141,319,479	-	-	-	11,587,868
					27,580,137



ESTIMATE	
SABIE	
GRASKOP	
420,481	2,545,121

Disclosures stock water 2012 (closing balances)

purchased first is also sold first. Thus value purchase

1,057,067
8,304,202
9,361,269

maturity with a maturity value of R 8 677 891.00 which will be offset against the loan redemption





THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

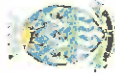
7 PROPERTY, PLANT AND EQUIPMENT								
7.1 Reconciliation of Carrying Value CURRENT PERIOD	Land	Buildings	Infrastructure	Community	Heritage	Other Assets Moveable	landfill sites	Total
	R	R	R	R	R	R	R	R
as at 1 July 2011	49,831,972	48,938,000	1,504,311,150	-	-	1,039,854	-	1,604,120,976
Cost/Revaluation	49,831,972	48,938,000	1,504,311,150	-	-	1,039,854	-	1,604,120,976
Acquisitions	-	-	7,870,784	-	-	-	-	7,870,784
Depreciation	-	(7,447,558)	(36,055,969)	(4,603,510)	(198,875)	-	-	(48,305,912)
Carrying value of disposals	-	-	-	-	-	(6,240,764)	-	(6,240,764)
Cost/Revaluation	-	-	-	-	-	(940,641)	-	(940,641)
Accumulated depreciation and impairment losses	-	-	-	-	-	(5,300,123)	-	(5,300,123)
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
CHANGE IN ESTIMATE 01 JULY 2011	77,489,633	56,149,075	(769,883,852)	28,922,553	1,269,571	9,799,720	328,484	(595,924,817)
as at 30 June 2012	127,321,605	97,639,517	706,242,113	24,319,043	1,070,696	4,598,810	328,484	961,520,267

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THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

7.2 Reconciliation of Carrying Value PRIOR PERIODS	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
	R	R	R	R	R	R	R	R
as at 1 July 2010	0	0	0	0	0	115,437,168	0	115,437,168
Cost/Revaluation	0	0	0	0	0	0	0	0
Correction of error	0	0	0	0	0	0	0	0
WRITTEN BACK TO ACCUMULATED DEFICIT	0	0	0	0	0	-115,437,168	0	-115,437,168
Change in accounting policy (note 47)	0	0	0	0	0	0	0	0
Accumulated depreciation and impairment losses	0	0	0	0	0	0	0	0
Carrying value of movements	49,831,972	48,938,000	1,504,311,150	0	0	1,039,854	0	1,604,120,976
Cost/Revaluation new take on EU data	49,831,972	48,938,000	1,504,311,150	0	0	1,039,854	0	1,604,120,976
as at 30 June 2011	49,831,972	48,938,000	1,504,311,150	0	0	1,039,854	0	1,604,120,976
Cost/Revaluation	49,831,972	48,938,000	1,504,311,150	0	0	1,039,854	0	1,604,120,976

Refer to Appendix B for more detail on property, plant and equipment



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Note

2012 R 2011 R

8 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade creditors	118,803,837	54,346,288
consumer debtors with credit balances	11,597,898	12,490,595
Payments received in advance	887,113	-
Retentions	-	-
Staff leave accrual	184,201	1,000,721
Other creditors	15,443,187	2,938,050
Total creditors	146,916,235	70,775,664

The fair value of trade and other payables approximates their carrying amounts.

9 CONSUMER DEPOSITS

Electricity and Water	3,789,370	3,246,727
Accrued interest	-	-
Total consumer deposits	3,789,370	3,246,727

deposits generate no interest as per council decision

10 VAT PAYABLE

VAT payable	-	9,524,154
-------------	---	-----------

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

11 VAT RECEIVABLE

VAT receivable	1,839,606	-
	1,839,606	-

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors. The amount receivable and payable are offset against each other and only the net effect is shown in the statement of position

12 CURRENT PROVISIONS

Provision for leave	6,994,448	6,923,488
Provision for staff bonus	0	2,191,550
Provision for rehabilitation of landfill sites	6,302,478	3
Total Provisions	13,296,926	9,115,041

Performance bonuses are paid one year in arrears as the assessment of eligible employees had not taken place at the reporting date and no present obligation exist. The balance of the performance bonus provisions relate to amounts not yet paid to certain employees due to disputes over the assessment process. Also see note 54.

12.1

The movement in current provisions are reconciled as follows: -

	Performance Bonus	Provision for leave
as at 1 July 2011	-	6,923,488
Contributions to provision	-	70,960
Expenditure incurred	-	-
as at 30 June 2012	-	6,994,448
as at 1 July 2010	-	1,878,148
Contributions to provision	-	5,056,177
Expenditure incurred	-	(10,837)
as at 30 June 2011	-	6,923,498

12.2

The movement in current provisions are reconciled as follows:

	Provision for staff bonus	Other provisions
as at 1 July 2011	2,191,550	-
Transfer from non-current Contributions to provision	-	-
CORRECTION TO ACRUED	854,662	-
as at 30 June 2012	(3,046,212)	-
as at 1 July 2010	-	-
Transfer from non-current Contributions to provision	-	-
Expenditure incurred	2,919,550	-
as at 30 June 2011	-	-

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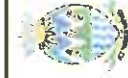
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THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Note

2012 R 2011 R

The movement in current provisions are reconciled as follows: -

12.3		2012 R	2011 R
	as at 1 July 2011		
	Transfer from non-current Contributions to provision		3
	Expenditure incurred		6,302,475
	as at 30 June 2012		6,302,478
	as at 1 July 2010		3
	Transfer from non-current Contributions to provision		-
	Expenditure incurred		-
	as at 30 June 2011		3

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13 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

13.1	Unspent Conditional Grants from other spheres of Government	4,087,558	
	Opening balance MIG	2,966,335	2,966,335
	Less Grants paid back to Treasury	(2,966,335)	-
	Other	-	-
13.2	Other Unspent Conditional Grants and Receipts		
	MSIG GRANTS intern salaries	131,223	131,223
	FMIG grants	1,000,000	1,000,000
	less grants expended during the current year	(1,131,223)	-
	outstanding	1,401,473	1,401,473
	Annexure A: MIG TOTAL UNSPENT	1,011,376.56	1,011,376.56
	Annexure B: FMIG TOTAL UNSPENT	300,000.00	300,000.00
	Annexure C: MSIG TOTAL UNSPENT	90,088.17	90,088.17
	Total Unspent Conditional Grants and Receipts	1,401,473	4,087,558

See Note 31 for reconciliation of grants and receipts. These amounts are invested in ring-fenced investment until utilised.

14 BORROWINGS

	Other borrowings	9,759,897	10,267,391
		9,759,897	10,267,391
	Less : Current portion transferred to current liabilities	(507,485)	(507,485)
	Other borrowings	(507,485)	(507,485)
	Total borrowings	9,252,402	9,759,906

The borrowing will be offset against the investment as per note 6 which will yield an estimate 4.5 percent growth on the coupon rate during 2013. the estimate of the offset might be R 9 252 402 minus R 507 000 = R 8 745 402 at maturity. The investment may amount to R 8 677 891.00 with a shortfall then amounting to R 67 511.00 which can be funded from the fairbairn capital as per note 6.2.1

15 PROPERTY RATES

	Actual		
	Residential	14,173,239	32,761,694
	Commercial	486,867	-
	Light Industries	9,180,606	-
	Heavy Industries	8,867,696	-
	State	2,124,196	-
	Total property rates	34,832,404	32,761,694
	Property rates - internal charges	15,903	-
	Total	34,816,501	32,761,694

Note : Internal charges levied for this year have now been written back against income and not allowed as a charge against the entity

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2008. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations.

Rates are levied on an annual basis with the final date of payment being 30 November 2012 (2011: 30 November).

16 SERVICE CHARGES

Note : Internal charges levied for this year have now been written back against income and not allowed as a charge against the entity

	Amount billed	less internal charges	nett amount
Sale of electricity	78,741,621	5,133,667	73,607,954
Sale of water	25,023,271	668,704	24,354,567
Refuse removal	8,573,764	34,435	8,539,329
Sewerage and sanitation charges	8,115,896	19,433	8,096,465
Total Service Charges	120,454,554	6,956,241	114,598,313
			110,900,217

THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012



2012 **2011**
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Note

17 RENTAL OF FACILITIES AND EQUIPMENT

Rental of facilities	667,039	516,164
Rent Municipal properties :: CRECHE;	271	
Rent Municipal properties :: FLATS;	196,595	243,552
Rent Municipal properties :: HALLS;	39,905	28,049
Rent Municipal properties :: HALLS;	7,983	5,474
Rent Municipal properties :: HOSTALS;	179,684	44
Rent Municipal properties :: LAPA;	3,584	122,719
Rent Municipal properties :: MUNICIPAL BUILDINGS;	33,000	5,439
Rent Municipal properties :: MUNICIPAL HOUSES;	46,790	110,877
Rent Municipal properties :: TOWN LANDS;	59,128	
Total rentals	667,039	516,164

18 INTEREST EARNED - EXTERNAL INVESTMENTS

Fairbam Capital interest		39,252
Total interest	-	39,252

19 INTEREST EARNED - OUTSTANDING RECEIVABLES

Debtors age analysis	6,237,501	441,787
Total interest	6,237,501	441,787

20 GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	64,328,913	59,552,631
MIG Grant	28,690,000	17,192,000
Other Government Grants and Subsidies	4,142,000	4,343,000
Total Government Grant and Subsidies	96,160,913	81,087,631

20.1 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy which is funded from the grant.

20.2 MIG Grant

Balance unspent at beginning of year	2,966,335	
Unspent grants paid back to National Treasury	(2,966,335)	
Current year receipts	26,690,000	17,192,000
Conditions met - transferred to revenue	(27,395,544)	(14,225,665)
Conditions still to be met - remain liabilities	(705,544)	2,966,335

20.3 Other Government Grants and Subsidies

Balance unspent at beginning of year	1,131,223	138,620
Current year receipts	66,470,913	63,895,631
Conditions met - transferred to revenue	(69,602,136)	(62,903,028)
Conditions still to be met - remain liabilities (see note 21)	-	1,131,223

20.4 Changes in levels of government grants

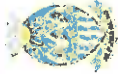
Based on the allocations set out in the Division of Revenue Act, (2012) no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

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THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Note

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21 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS

21.1 Other income

Other income from exchange transactions

ACCOMMODATION FEES	10,621,554
STOCK ELECTRICITY NEW TAKE ON CONNECTION (NEW)	97,140
SUNDRIES VATABLE WRITTEN BACK FROM PRIOR YEAR	568,155
STOCK WATER ADJUSTED AGAINST ACCUMULATED SURPLUS	537,629
CORRECTION OF VAT RECEIVABLE PER SARS STATEMENT	4,389,315
STOCK HELD FOR AUCTION	916,445
UNIT TRUST PRICE INCREASES FAIRBARN CAPITAL	681,761
ADVERTISEMENTS: BOARDS	132,000
APPL: REZONING	86,970
APPLICATION: CONSENT USE	8,766
BULK PURCHASES ESKOM	10,499
APPROVAL: TRADING LICENSE	3,185
APPROVAL GRAVESTONE PLANS	130,841
BUILDING PLAN FEES	7,965
BULK SERVICE CONTRIBUTION	1,579
CATRIGES	415,578
CERTIFICATE CLEARANCE	204,711
CERTIFICATE VALUATION	21
CONNECTION (RE-CONNECTIONS)	70,044
INFORMATION SUPPLIED	3,560
INFRASTRUCTURE	1,412,908
LG SETA GRANT	21,855
LOST BOOKS	6,615
MEMBERSHIP FEES	363,138
GRAVE FEES	290
ENTRANCE FEES	23,250
MAMPOER SALES	40,103
ENTRANCE FEES	4,246
HIKING TRAIL FEES	288
SALE: LYDENBURG HEADS	119,820
SALE: STANDS	3,295
SUNDRY INCOME	83
SURPLUS PAID IN BY CASHIER	1,908
TENDER DOCUMENTS	185,294
WASHING FACILITIES FEES	3,035
PHOTOSTATS	147,482
OFFICE EQUIPMENT	7,701

Income other from non exchange transactions : FINES

FINES: TRAFFIC	901,276
FINES: LIBRARY	827,790
FINES: METER TAMPERING	5,485

1,599,164

22 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages
Employee related costs - Contributions for UIF, pensions and medical aids
Travel, motor car, accommodation, subsistence and other allowances
Housing benefits and allowances
Overtime payments
Performance and other bonuses
Other employee related costs
Employee Related Costs

There were no advances to employees / Loans to employees are set out in note 3.

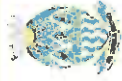
Remuneration of the Municipal Manager MR B KOMA

Annual Remuneration
Performance- and other bonuses
Travel, motor car, accommodation, subsistence and other allowances
Contributions to UIF, Medical and Pension Funds
Total

53,418,903	43,569,441
14,969,311	12,802,005
6,364,413	-
354,399	328,564
5,035,561	5,053,960
3,926,371	3,327,062
1,903,917	5,213,023
85,972,876	70,294,075

373,366	482,379
-	-
123,041	205,855
873	749
503,281	688,983





THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Note

2012 R 2011 R

Remuneration of the Chief Finance Officer Mr S Mabitsela and F van Eck
A acting Chief Financial Officer was appointed on
Annual Remuneration
Performance- and other bonuses
Travel, motor car, accommodation, subsistence and other allowances
Contributions to UIF, Medical and Pension Funds
Total

MR V ECK	MR MABITSELA
JULY 11 TO NOV 11	Dec 11 to June 12
130,249	182,348
-	-
88,691	155,559
8,354	6,441
227,293	344,348

Remuneration of Individual Executive Directors

Technical Services	Community Services
MR PHEEHA	ME DUBE
R	R

2012

Annual Remuneration
Performance- and other bonuses
Travel, motor car, accommodation, subsistence and other allowances
Contributions to UIF, Medical and Pension Funds
Total

478,498	407,930
-	-
146,467	131,818
37,385	31,967
662,350	571,715

2011

Annual Remuneration
Performance- and other bonuses
Travel, motor car, accommodation, subsistence and other allowances
Contributions to UIF, Medical and Pension Funds
Total

vacant	vacant
vacant	vacant
vacant	vacant
vacant	vacant
Vacant	Vacant
403,288	403,288
-	-
141,111	141,111
18,901	18,901
563,300	563,300

Technical Services	Corporate	Community Services
R	R	R

23 REMUNERATION OF COUNCILLORS

Executive Mayor/HONOURABLE MM MAROBELA
Speaker HONOURABLE V S MAGAGULA
Executive Committee Members
Councillors
Councillors' pension and medical aid contributions
Councillors' allowances
Total Councillors' Remuneration

363,102	sect 139
294,899	sect 139
1,091,762	sect 139
2,940,078	3,063,911
635,765	206,153
1,936,082	1,269,699
7,251,688	4,539,763

In-kind Benefits

The Executive Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.
The Executive Mayor is entitled to stay at the mayoral residence owned by the Council at no cost. The Executive Mayor has use of the Council owned vehicle for official duties.
The Executive Mayor has full-time bodyguards.

24 FINANCE COSTS

Borrowings
Bank overdrafts
Total Finance Costs

1,561,888	1,431,152
1,720	1,720
1,563,607	1,432,872

25 BULK PURCHASES

Electricity
Total Bulk Purchases

96,206,488	79,264,755
96,206,488	79,264,755

26 CONTRACTED SERVICES

Contracted services for: Information technology
Contracted services for: security
Contracted services for: Specialized services
Contracted services for: Other services

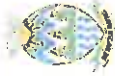
13,685,256	9,061,117
9,957,591	4,824,478
-	334,035
7,122,781	168,172
30,765,628	14,387,802

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THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Note 2012 2011
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27 GRANTS AND SUBSIDIES PAID

MIG GRANTS PAID

27,395,544

MIG GRANT EXPENDITURE	9701/9707/1701	1,478,347.96
MIG GRANT EXPENDITURE	9701/9707/1702	6,458,385.79
MIG GRANT EXPENDITURE	9701/9707/1704	2,411,662.88
MIG GRANT EXPENDITURE	9701/9707/1705	115,664.36
MIG GRANT EXPENDITURE	9701/9707/1707	5,948,135.86
MIG GRANT EXPENDITURE	9701/9707/1709	508,051.60
MIG GRANT EXPENDITURE	9701/9707/1710	643,901.25
MIG GRANT EXPENDITURE	9701/9707/1714	1,010,935.84
MIG GRANT EXPENDITURE	9701/9707/1715	1,303,727.22
MIG GRANT EXPENDITURE	9701/9707/1717	5,701,833.06
MIG GRANT EXPENDITURE	9701/9707/1718	952,195.91
MIG GRANT EXPENDITURE	9701/9707/1719	708,815.46
MIG GRANT EXPENDITURE	9701/9707/1720	153,886.34

MIG CAPITALISED PER ANNEXURE B
Grants/subsidy to indigent policy support

(7,870,784)
13,083,339
32,588,098

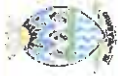
16,798,112
16,798,112

28 GENERAL EXPENSES

Included in general expenses are the following:-

Advertising	840	120
Audit fees	1,602,429	2,122,846
Bank charges	797,508	479,869
Cleaning	880,899	183,914
Conferences and delegations	591,811	51,650
Consulting fees	1,483,591	9,787,967
Departmental consumption	81,417	-
Stocks and material	279,840	-
Entertainment	-	135,492
Fuel and oil	2,058,629	1,583,947
Insurance	3,763,215	3,955,553
Interest paid overdue accounts	1,812,120	1,051,558
DECREASE IN INVESTMENT	100,137	-
DECREASE IN ABSA CAPITAL INVESTMENTS	613,485	-
PROVISION CREDITOR MIG UNSPENT	1,401,471	-
MOVEMENT OTHER CORRECTIONS	32,964	-
Legal expenses	1,252,517	1,203,251
Levies paid	-	47,037
Licence fees - vehicles	1,964,414	-
Licence fees - computers	1,765	-
ISDN Line rent	7,713,450	-
Postage	1,418,874	163,013
Printing and stationery	-	952,271
Professional fees	-	371,593
Rental of buildings	168,255	168,668
Other rentals	2,523,824	46,497
Sewerage treatment costs	224,021	-
Skills development levies	355,555	655,079
Stocks and material	82,263	30,486
Subscription & publication	126,722	182,348
Telephone cost	1,438,149	1,201,066
Training	1,008,423	210,728
Travel and subsistence	1,302,941	907,833
Uniforms & overalls	-	2,557
Valuation costs	214,943	126,340
Debit orders	4,119	-
Digging of graves	30,419	-
Disaster relief fund	33,617	-
Integration of Thaba Chweu	275,000	-
Integration of Thaba Chweu	13,401	-
Photostats	3,468	-
Postage and telegrams	6,577	-
Postage and telegrams	166,841	-
Promotion costs	7,217	-
Public participation and ward Committees	23,000	-
Water - agriculture	29,000	-
Water - education	109	-
Water - institution	276,907	-
	9,120	-
	36,190,048	26,621,624

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THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Note

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23 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Bank balances and cash:	960,377	6,855,924
Bank overdrafts	(2,872,039)	
Net cash and cash equivalents (net of bank overdrafts)	(1,911,662)	6,855,924

30 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

DESCRIPTION	REPORTED DEVIATIONS	UNREPORTED DEVIATIONS	TOTAL
IRREGULAR EXPENDITURE		5,916,890.53	
IRREGULAR EXPENDITURE		17,476,082.18	
FRUITLESS AND WASTEFUL EXPENDITURE		3,671,415.32	
TOTAL DISCLOSURE		27,064,388.03	

30.1 IRREGULAR EXPENDITURE THAT HAS BEEN REPORTED AS DEVIATIONS TO COUNCIL

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

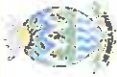
COMPANY	DOC NUMBER	AMOUNT	DATE
60056 HOLDING PTY LTD	88	54,084.80	10/4/2011
ASR TRAVEL AGENCY	36	4,860.00	8/17/2011
BBM BOU EN SINEI	233.24	2,736.00	12/23/2011
CONWAY GENERAL TRADING	235	23,173.12	1/19/2012
DAWSON & DOBSON	785	26,767.20	7/29/2011
DAWSON & DOBSON	755	60,705.00	7/29/2011
DAWSON & DOBSON	789	31,385.90	8/4/2011
DAWSON & DOBSON	913	58,273.08	8/16/2011
DAWSON & DOBSON	910	13,081.50	10/18/2011
DAWSON & DOBSON	911	32,461.50	10/18/2011
DAWSON & DOBSON	912	4,617.00	10/18/2011
DAWSON & DOBSON		16,844.00	10/18/2011
DAWSON & DOBSON	141	2,451.00	12/14/2011
DAWSON & DOBSON	143	13,976.40	12/14/2011
DAWSON & DOBSON	254	123,873.54	12/14/2011
DAWSON & DOBSON	1109	11,540.22	1/20/2012
DAWSON & DOBSON	1108	8,178.36	6/18/2012
DAWSON & DOBSON	1106	25,612.38	6/18/2012
DAWSON & DOBSON	1107	39,368.50	6/18/2012
DAWSON & DOBSON	189	72,760.50	6/18/2012
DAWSON & DOBSON (PTY) LTD		5,734.20	11/18/2011
DAWSON & DOBSON (PTY) LTD	187	11,540.22	11/18/2011
DAWSON & DOBSON (PTY) LTD	218	3,836.10	11/30/2011
DAWSON & DOBSON (PTY) LTD	215	40,276.86	11/30/2011
DAWSON & DOBSON (PTY) LTD	212	87,054.60	11/30/2011
DAWSON & DOBSON (PTY) LTD	217	111,594.60	11/30/2011
DAWSON & DOBSON (PTY) LTD	213	57,310.54	11/30/2011
DAWSON & DOBSON (PTY) LTD	200	20,045.76	12/21/2011
E T NGELO CONSTRUCTION	171	31,602.29	11/18/2011
ELECTRO SYSTEMS	4323	38,757.72	6/25/2012
EVEREST LEADERSHIP TRAINING	85	2,012.10	9/1/2011
F&T SERVICES	69	4,446.00	3/2/2012
FORMS MEDIA INDEPENDENT	768	2,506.00	11/8/2011
FRANCIS MOTORS	23	2,861.40	9/6/2011
GARRY'S TUNE UP CENTRE	11	4,386.15	9/29/2011
GARRY'S TUNE UP CENTRE	5016	15,998.00	3/29/2012
INTELIGEX CONSULTING	314	82,865.00	2/2/2012
ISICEBI TRADING 1155		329,376.21	12/22/2011
JESIFA BUSINESS ENT	256	167,475.29	5/1/2012
JESIFA BUSINESS ENTERPRISE	255	193,876.79	5/1/2012
JESIFA BUSINESS ENTERPRISE	254	199,789.00	5/1/2012
JESIFA BUSINESS ENTERPRISE	69	7,500.00	11/29/2011
JOCK SABIE LODGE	1013.102	6,546.24	12/6/2011
LED ELECTRICAL & PUMPS	793	15,344.00	11/7/2011
LEXIS NEXIS BUTTERWORTH	717	41,843.43	11/7/2011
LEXIS NEXIS BUTTERWORTH	284	3,665.10	11/7/2011
LOWVELD BUILDING SUPPLIES	1011	2,007.31	2/22/2012
LOWVELD MEDIA-STEELBURGER	1012	6,021.94	2/22/2012
LOWVELD MEDIA-STEELBURGER	1013	2,058.30	2/22/2012



THABA CHWEU LOCAL MUNICIPALITY
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	Note	2012 R	2011 R
LYD STEEL AND CONSTRUCTION	164	3,135.00	9/23/2011
LYD TOYOTA	181	6,140.18	12/21/2011
LYDENBURG BRAKE & CLUTCH	978	3,123.60	12/6/2011
LYDENBURG TOYOTA	273	7,128.09	12/1/2011
LYDENBURG TOYOTA	104	6,194.32	12/6/2011
MAGFEZ NTULI & CONSTRUCTION	315	45,720.00	2/2/2012
MAGWAZANE TRANSPORT & TRADING	192	2,400.00	12/21/2011
MAHLO KE DIALA BUSINESS SERV	266	29,700.65	10/1/2011
MAHLO KE DIALA BUSINESS SERV	264	51,113.27	10/1/2011
MAHLO KE DIALA SERVICES	917	79,994.22	10/18/2011
MAHLO KE DIALA SERVICES	916	114,332.31	10/18/2011
MANDLAKAZI ELECTRICAL TECH	1103	6,070.50	6/18/2012
MANDLAKAZI ELECTRICAL TECH	1105	7,307.40	6/18/2012
MANDLAKAZI ELECTRICAL TECH	1104	26,231.40	6/18/2012
MANDLAKAZI ELECTRICAL	709	3,884.19	7/27/2011
MANDLAKAZI ELECTRICAL	720	6,267.49	7/27/2011
MANDLAKAZI ELECTRICAL	719	7,497.67	7/27/2011
MANDLAKAZI ELECTRICAL	706	8,625.81	7/27/2011
MANDLAKAZI ELECTRICAL	714	10,203.91	7/27/2011
MANDLAKAZI ELECTRICAL	712	11,387.46	7/27/2011
MANDLAKAZI ELECTRICAL	717	16,821.64	7/27/2011
MANDLAKAZI ELECTRICAL	707	16,912.76	7/27/2011
MANDLAKAZI ELECTRICAL	723	31,917.23	7/27/2011
MANDLAKAZI ELECTRICAL	710	40,584.00	7/27/2011
MANDLAKAZI ELECTRICAL	713	51,191.21	7/27/2011
MANDLAKAZI ELECTRICAL	23409	26,448.00	11/1/2011
MANDLAKAZI ELECTRICAL	771	71,639.25	11/7/2011
MANDLAKAZI ELECTRICAL	133	24,000.00	12/3/2011
MASH FM 93.4 STEREO	252	34,410.00	5/1/2012
MAZOLA TRAVEL & TOURS	138	11,102.74	12/14/2011
MINDMUZIK MEDIA	173	3,603.00	12/20/2011
MR KHUMALO MOSES	4005	22,634.70	3/30/2012
MUNDATA CONSULTING SERVICES		26,356.17	1/1/2011
NOKWAZI ELECTRICAL		176,499.34	12/30/2011
NOKWAZI ELECTRICAL	23329	76,009.50	2/2/2012
NOKWAZI ELECTRICAL CC	316	6,194.48	9/6/2011
NOMCEBO CONSULTING	106	6,817.20	10/14/2011
PITNEY BOWES	101	5,931.28	11/1/2011
PITNEY BOWES	13	54,720.00	1/1/2012
PITNEY BOWES	286	4,746.96	12/15/2011
PRODIBA PTY	164	5,479.80	9/6/2011
PROTEA HOTEL	102	54,606.92	7/12/2011
RE A DHRHA CONSULTANT	23320	2,960.00	8/12/2011
RUSPLAAS GARAGE	133	7,524.00	12/21/2011
SAZABANTU TRADING	187	137,670.15	3/28/2012
SEBATA MUNICIPAL SOLUTIONS	15324068	337,376.83	3/1/2012
SEBATA MUNICIPAL SOLUTIONS	15323495	219,025.92	3/20/2012
SEBATA MUNICIPAL SOLUTIONS	15323482	114,523.78	6/8/2012
SEBATA MUNICIPAL SOLUTIONS	15325345	263,495.80	9/28/2011
SEBATA MUNICIPAL SOLUTIONS	15319949	246,354.00	9/8/2011
SEBATA MUNICIPAL SOLUTIONS	15319664	279,991.43	9/8/2011
SEBATA MUNICIPAL SOLUTIONS	15322531	58,475.60	11/1/2011
SEBATA MUNICIPAL SOLUTIONS	15320795	61,104.00	3/12/2012
SEBATA MUNICIPAL SOLUTIONS	369	5,050.00	7/5/2011
SEBATA MUNICIPAL SOLUTIONS	5050	17,939.04	11/7/2011
SEBATA MUNICIPAL SOLUTIONS	727	16,552.80	6/1/2012
SEBATA MUNICIPAL SOLUTIONS	210	6,032.88	11/30/2011
SEBATA MUNICIPAL SOLUTIONS	65	7,715.52	2/22/2012
SEBATA MUNICIPAL SOLUTIONS	1015	70,627.56	8/7/2011
SEBATA MUNICIPAL SOLUTIONS	23408	88,829.94	9/23/2011
SOWETAN	175	4,135.35	1/18/2012
SUD-CHEMIE	285	2,859.52	11/29/2011
SYNTELL NETWORKS	64	3,380.00	12/14/2011
THE LOWVELDER	152	20,290.59	12/14/2011
TIM TRADING	144	100,679.36	12/19/2011
TRANSACTION CONTROL TECHNOLOGIES	168	171,728.73	12/19/2011
TRANSACTION CONTROL TECHNOLOGIES	169	11,880.00	8/24/2011
TRAVEL EXPERIENCE	823	51,165.20	8/24/2011
TRAVEL EXPERIENCE	825	7,756.00	9/2/2011
TRAVEL EXPERIENCE	23305	33,102.65	5/2/2012
TRUVELO MANUFACTURERS	4105	30,000.00	1/26/2012
TSWELOPMENT FUNERAL SERVICES	286	99,750.00	12/5/2011
UNICS TECHNOLOGIES	78	15,202.73	9/12/2011
UNION MOTORS LOWVELD	22	8,181.19	9/6/2011
UNION MOTORS LOWVELD	842	10,212.23	11/16/2011
VOLTEX	162	16,048.00	7/14/2011
VUKUZITHATHE TRADING	23426	22,290.00	12/7/2011
WESTVAAL MASHISHING	23419	57,051.73	12/30/2011
ZAMAGWANE WATER TECHNOLOGIES	23331	5,916,890.53	TOTAL

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THABA CHWEU LOCAL MUNICIPALITY
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for the year ended 30 June 2012

Note

2012
R

2011
R

30.2

IRREGULAR EXPENDITURE THAT HAS NOT BEEN REPORTED AS DEVIATIONS TO COUNCIL

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

COMPANY	DOC NUMBER	AMOUNT	DATE
AES Consulting	15323754	102,291.07	3/29/2012
AfriSat	15321062	1,500,000.00	12/7/2011
Afrox	15319411	11,335.02	7/1/2011
Afrox	15321084	897.18	12/7/2011
Afrox	15323059	1,794.00	2/10/2012
Afrox	15323435	2,589.30	3/6/2012
Aluta Investments	15319520	20,000.00	7/18/2011
Aluta Investments	15319412	51,600.00	7/1/2011
Black Child is Possible	15326059	27,000.00	6/29/2012
Black Child is Possible	15324840	33,600.00	5/9/2012
BONGANI MATHIELA WOOD WORK	326	8,800.00	6/2/2012
Bothilia Trading	15319416	256,439.00	7/1/2011
Bothilia Trading	15319659	97,399.89	9/8/2011
Bothilia Trading	15320782	97,399.89	9/28/2011
Bothilia Trading	15321272	97,399.89	12/5/2011
Bothilia Trading	15320794	97,399.89	11/1/2011
Budgetinn	15319522	76,100.00	7/13/2011
Budgetinn	15321801	36,300.00	12/15/2011
Budgetinn	15321872	18,150.00	11/3/2012
Budgetinn	15323448	18,150.00	3/6/2012
Budgetinn	15324620	18,150.00	5/7/2012
Budgetinn	15325933	36,300.00	5/14/2012
Budgetinn	15324643	36,300.00	5/14/2012
Budgetinn	15319417	59,280.00	7/1/2011
Business Engineering	15000008	56,430.00	3/30/2012
Catquip Sales	15322744	13,315.20	2/16/2012
CF Drukkers	15319685	50,000.00	7/29/2011
Chinese Housing	15324524	43,181.36	8/29/2011
Chinese Housing	15319680	58,740.00	7/29/2011
Coelzee JPC	15319418	9,855.80	7/1/2011
Contact Communication	15319661	14,827.90	9/8/2011
Contact Communication	15321066	23,261.70	12/7/2011
Contact Communication	15321820	5,266.80	12/15/2011
Contact Communication	15323442	5,266.80	3/6/2012
Contact Communication	15324606	5,266.80	3/6/2012
Contact Communication	15322576	5,266.80	2/10/2012
Contact Communication	15324109	20,478.03	7/18/2011
Conway General Lydenburg	15319524	72,940.04	7/18/2011
Crystal Sparkle Trading	15324070	89,675.09	4/4/2012
Crystal Sparkle Trading	15324645	2,180.00	5/14/2012
Dania Agency	15325289	43,000.00	6/1/2012
Elithu Suppliers and Construction	15324621	43,000.00	5/7/2012
Elithu Suppliers and Construction	15324069	43,000.00	4/4/2012
Engen Sabie	15319433	5,300.78	8/2/2011
Engen Sabie	15319844	14,028.77	10/7/2011
Engen Sabie	15321383	21,543.67	12/7/2011
Engen Sabie	15321885	21,019.10	1/13/2012
Engen Sabie	15322746	21,391.27	2/16/2012
Engen Sabie	15323738	14,297.71	3/28/2012
Engen Sabie	15324098	18,283.84	4/5/2012
Engen Sabie	15324634	29,360.82	5/9/2012
Engen Sabie	15325356	27,521.70	6/8/2012
Engen Sabie	15325361	150,000.00	6/11/2012
Engen Sabie	826	5,250.00	8/25/2011
FOREVER RESORT-BLYDE	15321255	147,915.00	12/7/2011
Garrys Tuneup Centre	15319424	38,076.24	7/1/2011
Grant Thornton	15324110	9,824.51	7/19/2011
Graskop Service Station	15320807	4,709.35	8/2/2011
Graskop Service Station	15319936	12,483.95	8/24/2011
Graskop Service Station	15319669	7,751.06	9/8/2011
Graskop Service Station	15320786	6,531.15	9/28/2011
Graskop Service Station	15319843	1,706.74	10/7/2011
Graskop Service Station	15319944	4,915.75	10/12/2011
Graskop Service Station	15319954	3,354.25	10/13/2011
Graskop Service Station	15320812	11,592.91	11/3/2011
Graskop Service Station	15320824	2,190.40	11/18/2011
Graskop Service Station	15321278	9,649.85	12/5/2011
Graskop Service Station	15321842	9,729.23	12/20/2011
Graskop Service Station	15321884	13,490.49	1/13/2012
Graskop Service Station	15322559	5,991.39	1/31/2012
Graskop Service Station	15322552	9,784.49	2/8/2012
Graskop Service Station	15323413	10,446.38	3/1/2012

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THABA CHWEU LOCAL MUNICIPALITY
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	Note	2012 R	2011 R
Graskop Service Station	15323739	11,643.50	3/28/2012
Graskop Service Station	15324516	995.08	4/24/2012
Graskop Service Station	15325328	9,783.42	6/1/2012
Highlands Panorama News	15321078	2,400.00	12/7/2011
Hydro Pneumatic	15321880	24,168.00	1/13/2012
Ivy Mokotana	15325300	4,000.00	6/1/2012
Jessifra Business Enterprise	15324127	364,925.59	4/12/2012
Khuleni Multi Skills	15324143	3,045.85	4/13/2012
Khuleni Multi Skills	15324143	3,050.88	4/13/2012
KTP Management Cons	15325937	150,000.00	5/31/2012
KTP Management Cons	15325332	150,000.00	6/1/2012
KTP Management Cons	15000047	100,000.00	6/13/2012
Kwati Consulting Projects		189,815.50	7/1/2011
Laevelder	15319478	18,021.66	7/1/2011
Laevelder	15319886	3,107.18	9/8/2011
Lehlaba Trading	15324121	6,441.00	4/12/2012
Lexus Nexus	15324835	41,485.16	9/8/2011
LOWVELD MEDIA	1034	3,010.97	2/12/2012
Lowveld Media	15323455	14,731.79	3/6/2012
Lowveld Media	15324632	37,938.20	5/14/2012
Lumgoshi Water Solutions	15323776	188,720.00	3/29/2012
Lybasol Motors	15319437	4,892.47	7/1/2011
LYBASOL MOTORS	244	2,211.99	1/19/2012
Lydenburg Bande Diens	15321294	110,591.18	12/8/2011
Lydenburg Toyota	15321344	8,210.00	12/5/2011
Lydenburg Toyota	15322037	9,548.00	1/13/2012
Mabafane Civil Construction	15325931	327,125.00	5/7/2012
Macfiez Nhuli Construction	15323489	77,519.40	3/6/2012
Macfiez Nhuli Construction	15324137	23,603.91	4/12/2012
Magnavolt Trading	15319551	53,029.38	7/18/2011
MAHLO KE DIALO	57	4,719.60	8/29/2011
Mahloke dila Services CC	15323480	88,142.04	3/23/2012
Mandlaski Electrical	15319443	44,266.20	7/1/2011
Maseko Management Services	15324073	36,388.80	4/4/2012
Maseko Management Services	15325358	199,433.98	6/1/2012
Masikana Civil Contractors	15319753	486,593.75	9/10/2011
Masikana Civil Contractors	15321266	319,230.87	12/5/2011
Mathata Security Services	15325293	281,889.52	6/1/2012
Mathata Security Services (contract started July 2012	15323501	174,595.12	3/9/2012
Mathata Security Services	15323956	174,595.12	4/2/2012
Mathata Security Services	15324625	20,301.12	5/1/2012
Matsana Attorneys Inc.	15319675	1,411,497.14	7/21/2011
Maximum Profit Recovery	15319943	378,657.68	10/12/2011
Maximum Profit Recovery	15323774	345,782.38	3/29/2012
Maximum Profit Recovery	15323493	85,076.00	3/5/2012
Mbombela Lab and Medical	15323944	48,053.50	3/29/2012
Mbombela Lab and Medical	15325153	90,881.00	5/7/2012
Mbombela Lab and Medical	15322549	478,808.75	1/30/2012
Moreko Investment Holdings	15323933	200,000.00	3/5/2012
Moreko Investment Holdings	15324071	200,000.00	4/4/2012
Moreko Investment Holdings	15322511	76,368.07	12/5/2011
Mosese Mosia development	15319736	112,450.64	9/8/2011
Mundata Consulting Services	15320773	182,317.92	9/28/2011
Mundata Consulting Services	15319724	184,253.07	7/29/2011
Nkunela Electrical CC	15323760	268,048.21	3/29/2012
Nkunela Electrical CC	15319850	704,152.46	9/28/2012
Nomabisa Trading Ent.	15322561	153,472.50	2/8/2012
Notsi Group	15319557	145,438.08	7/18/2011
Pennwell Risk Management	12	18,240.00	11/1/2011
PITNEY BOWES	15321349	20,269.20	12/7/2011
Pitney Bowes	15319720	626,208.78	7/18/2011
PLP Consulting Engineers	15319895	5,527.00	9/8/2011
Protea Kruger Gate	15323959	91,600.00	4/2/2012
Ratsoga Trading	15323962	27,600.00	3/1/2012
Ratsoga Trading	15322545	26,500.00	1/30/2012
Ratsoga Trading	15319535	9,325.83	8/18/2011
Rent to Kill	15321352	9,776.13	12/7/2011
Rent to Kill	15323060	9,966.30	2/10/2012
Rent to Kill	15314684	9,972.30	5/14/2012
Rent to Kill	15319882	7,536.24	7/29/2011
Robert Mayana	15321275	6,791.36	12/5/2011
Robert Mayana	15321854	7,833.68	12/23/2011
Robert Mayana	15319569	37,729.44	7/18/2011
Sabinet Online	15320778	11,400.00	9/28/2011
Sabinet Online	15329457	10,500.00	7/1/2011
Sekukane Express	15325935	23,897.00	6/14/2012
Smartlink Consultancy	77	20,109.60	8/31/2011
SOWETAN		22,120.56	7/1/2011
Sowetan	15319459	42,162.28	7/18/2011
Spaar -o- Rama	15319561	49,793.00	9/28/2011
Spaar -o- Rama	15320777		

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THABA CHWEU LOCAL MUNICIPALITY
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	2012 R	2011 R
Spartan Technology Rental	11,497.63	7/1/2011
Spartan Technology Rental	171,065.85	10/12/2011
Spartan Technology Rental	108,300.00	12/20/2011
Spearhead Ventures CC	1,151,728.69	3/29/2012
Sud-Chemi SA PTY LTD	198,476.50	7/1/2011
Sud-Chemi SA PTY LTD	83,194.29	9/8/2011
Sud-Chemi SA PTY LTD	8,346.62	9/28/2011
Sud-Chemi SA PTY LTD	37,074.17	12/7/2011
Sud-Chemi SA PTY LTD	3,267.81	1/13/2012
Sud-Chemi SA PTY LTD	23,371.60	2/10/2012
Sud-Chemi SA PTY LTD	13,642.55	3/6/2012
SWAROVSKI INVESTMENTS BK	45,600.00	1/18/2012
Syntell Networks (agreements not signed)	110,914.30	7/29/2011
Syntell Networks	22,182.86	9/8/2011
Syntell Networks	22,192.88	9/28/2011
Syntell Networks	67,879.55	1/19/2012
Syntell Networks	23,513.83	4/12/2012
Syntell Networks	88,516.05	3/28/2012
Syntell Networks	275,000.00	5/30/2012
Thaba Chweu Local Economic Development Agency	7,387.47	8/26/2011
THE LOWWELDER	50	
Tim Trading CC	153,207.60	9/28/2011
Tim Trading CC	153,190.8	1/13/2012
Timber Fourie Consultant Engineers	153,197.25	7/29/2011
Timber Fourie Consultant Engineers	186,593.24	9/28/2011
Timber Fourie Consultant Engineers	160,825.50	9/28/2011
Total Client Service LTD	230,222.33	7/18/2011
Total Client Service LTD	64,835.22	12/8/2011
Total Client Service LTD	36,534.15	3/6/2012
Total Client Service LTD	3,455.10	7/18/2011
Travel Experience	12,426.00	7/18/2011
Travel Experience	174,596.00	7/18/2011
Travel Experience	6,150.77	7/1/2011
Truvelo PTY LTD	2,100.00	9/28/2011
Ulusaba news	2,157.11	4/24/2012
Valuers Africa	83,721.30	3/30/2012
VD Transcriber CC	98,500.83	6/8/2012
VD Transcriber CC	39,864.76	8/2/2011
Voltex	10,487.88	12/15/2011
Voltex	6,384.00	2/10/2012
Voltex	15,798.10	5/14/2012
TOTAL	37,476,082.18	

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NAAH RABANG
16/12/2013
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FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

COMPANY	DOC NUMBER	AMOUNT	DATE
Du Toit Smith and Matthews Phosa	15319846	3,966.19	10/7/2011
Glidenhus Leasing Malati	15319423	25,905.47	7/1/2011
Marniwick JC	15319717	31,739.78	7/18/2011
Marniwick JC	15321081	10,830.00	12/7/2011
Marniwick JC	15321863	57,000.00	12/8/2011
Marniwick JC	15325329	19,810.00	6/1/2012
Mc Beth Nongwane Attorneys	15319550	15,564.37	7/18/2011
Mc Beth Nongwane Attorneys	15321093	97,247.70	12/7/2011
Mc Beth Nongwane Attorneys	15324626	167,434.18	5/11/2012
MM Modipe Attorneys	15321892	3,500.00	1/13/2012
MM Modipe Attorneys	15322584	1,000.00	2/10/2012
PG Bam Attorneys	15319451	3,021.00	7/1/2011
Pieter Nel Attorneys	15324136	56,527.51	3/1/2012
Richards Spoor Attorneys	15321351	5,232.60	12/7/2011
Seymore du Toit en Basson Attorneys	15319845	2,964.00	10/7/2011
Seymore du Toit en Basson Attorneys	15319952	1,968.50	10/12/2011
Seymore du Toit en Basson Attorneys	15325294	2,790.00	6/1/2012
Snyman Vermote	15319879	2,286.02	7/29/2011
Swanepoel Partners Attorneys	15319745	441,771.93	9/12/2011
van der Nest & Buis associates	15319485	150,400.80	7/1/2011
INTEREST ON OVERDUE ACCOUNTS		1,812,120.00	
ESKOM interest	2011/2012	732,030.55	2011/2012
TELKOM interest	2011/2012	26,906.72	2011/2012
TOTAL		3,671,435.32	



THABA CHWEU LOCAL MUNICIPALITY
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Note	2012 R	2011 R
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31 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

32.1	Audit fees		
	Opening balance		829,404
	Current year audit fee	970,080	
	Amount paid - current year	1,602,429	2,263,522
	Amount paid - previous years		(2,122,846)
	Balance unpaid (included in payables)	2,572,509	970,080

The balance unpaid represents the audit fee for an interim audit conducted from Feb 2012 to June 2012 conducted on the 2010/11 AFS

32.2

VAT

VAT input receivables and VAT output payables are shown in note 18. All VAT returns have been submitted by the due date throughout the year.

32.3

Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at -

	Total	Outstanding less than 90 days	Outstanding more than 90 days
R	R	R	R
as at 30 June 2012			
CLR MS MATHAILA	3,849	3,849	0
CLR NR MOKGOSIMY	6,895	6,895	0
CLR JH LIGHTELM	1,917	1,917	0
CLR PK MOKOENA	1,013	1,013	0
CLR EN MASHEGO	2,308	2,308	0
CLR PP CHIMA	2,097	2,097	0
Total Councillor Arrear Consumer Accounts	18,080	18,080	

as at 30 June 2011

Councillor V E BATES	17,826	17,772	55
Councillor J B NKOSI	16,412	15,580	832
Councillor F J C ROUSSEAU	2,621	948	1,673
Councillor P P CHIMA	227	216	10
Total Councillor Arrear Consumer Accounts	37,086	34,516	2,570

33

Claim for damages

GRAP 19 : CONTINGENT LIABILITIES

A possible obligation exist depending on whether some uncertainty in future event occurs

PLAINTIFF	RESPONDENT	AMOUNT
Komatland Forest	THABA CHWEU LOCAL MUNICIPALITY	27,000,000.00
SALA Pension Fund	THABA CHWEU LOCAL MUNICIPALITY	491,280.47
H&J Kelly	THABA CHWEU LOCAL MUNICIPALITY	750,000.00
Kwezi V3 Engineers	THABA CHWEU LOCAL MUNICIPALITY	800,000.00
CJ Van Wyk	THABA CHWEU LOCAL MUNICIPALITY	867,851.90
LCB Ralebipi	THABA CHWEU LOCAL MUNICIPALITY	493,525.51
GS Mare	THABA CHWEU LOCAL MUNICIPALITY	27,862.74
Fire Raiders (PTY) Ltd	THABA CHWEU LOCAL MUNICIPALITY	100,000.00
H Cornway	THABA CHWEU LOCAL MUNICIPALITY	1,508.00
Afrisat	THABA CHWEU LOCAL MUNICIPALITY	2,350,000.00
Fairy Wing Trading TA Sabie 1 Stop	THABA CHWEU LOCAL MUNICIPALITY	100,000.00
G Ramushu	THABA CHWEU LOCAL MUNICIPALITY	27,000,000.00
Telkom	THABA CHWEU LOCAL MUNICIPALITY	29,373.58
TOTAL		59,811,402.20

34 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexure D

35 INVESTMENT PROPERTY CARRIED AT FAIR VALUE

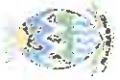
Reconciliation of fair value

as at 1 July 2011

Acquisitions	
Fair value adjustment	
Fair value of disposals	
Impairment loss/Reversal of impairment loss	
Transfers	
Other movements	
as at 30 June 2012	

R	R
2012	2011
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
149,388,200.00	0.00
149,388,200.00	0.00

RECEIVED
MODIFIED
NAAM/NAME
14/12/2013
DATUM/DATE



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Note
2012 R
2011 R

35.2

Details of valuation
Investment property's are recognised for the first time in the 2011/2012 financial statements. The Municipal properties were valued based on the valuation roll of the Municipality as at 30 June 2011.

All Municipal land held for a undetermined future use has been included as investment properties.

The Municipality is in the proses to complete the various lease agreements.

Amounts recognised in surplus or deficit for the year.

149,388,200.00

35.3

36

Disclosure in terms of IRFS 7 : Financial Instruments:

Financial assets and instruments:

(a) cash is a major portion of our transaction identity. The measures in place in safekeeping and internal controls are adequate and controlled by our own internal controls, Internal Audit and accounting system controls. Where risk existed in the past with pre paid collection, this has now been averted by transferring all risk on one vendor Syntel. Our payments are now prompt and on time.

(b) A contractual right to receive cash or another financial asset from another entity, exist in our debtors system. The estimated payment rate is 87 % currently. A risk exists for non - payment and this factor is taken into consideration with our provision for bad debts, however internal control changes and middle management improvement already indicates a dedicated constant cash inflow. However the risk of illegal connections and other loss of product sales is a matter of ongoing concern and upgrading

(c) A contractual right to receive cash exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity are now revealed in our statement of position as Investment property to the value of R 149 388 200 . This properties will in the future be analyzed and further investigated for generating income by either sales, development or more productive use, on these investment proerties we also receive rent income which is a constant cash inflow.

Other risk affecting our Financial Instruments

ESKOM PRICE INCREASES

We are subject to certain market adjustments especially in terms of the price increases of bulk electricity purchases by ESKOM. we have the right to appeal for certain price limits, but the past have indicated that less and less of our consumers can afford a constant price increaseof between 15 to 22 %. The result is an ever increasing consumer resistance . Unfortunately the price increase burden are spread over the Republic and our entity have no real benefit in price increases.

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ENTITIES DISCLOSURE

Disclosure of entities a list of all municipal entities under the sole or shared control of the municipality during the financial year and as at the last day of the financial year in terms of section 125 of the MFMA

Name of entity	THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY (PTY) LTD			
Registration number	2010/017614/07			
Address	P.O BOX 2403 NELSPRUIT 1200			
Contact	TEL	0137526179	FAX	0137526732
Email	mdia@telkomsa.net			
Country of incorporation	South Africa			
Nature of bussiness and principal activities	Local Economic Development and related activities			
Directors				
	M J MOHLALA			
	V L MASHABANE			
	P M MKHONTO			
	B P SIBIYA			
	P J DU PLESSIS			
Registered office	CNR Viljoen and sentraal street Lydenburg			
	1120			
Bussines address	69 Main street sabile			
	1260			
Accountants	Maake and Associates Chartered Accountants			
Legal relationship to TCLM	Council appoints the board of directros Council have oversight role			

38

DISCLOSURE IN TERMS OF SECTION 125. (1) PAYMENTS TO ORGANISED LOCAL GOVERNMENT

ORGANISED LOCAL GOVERNMENT INSTITUTION	PERIOD UP TO 30 JUNE 2012	OUTSTANDING 30 JUNE 2012
	2012	2012
IMATU	202,851.02	7,128.00
SALGCB	52,777.40	2,600.00
SALGA	1,121,265.53	1,871,514.00
SAMWU	1,008,311.74	42,575.00

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COMMITMENTS AT YEAR END

to our information

GE-00001

AUDITED

NAAM/NAME

14/2/2013

DATUM/DATE



THABA CHWEU LOCAL MUNICIPALITY

APPENDIX A

SCHEDULE OF EXTERNAL LOANS

30-Jun-12

EXTERNAL LOANS	Loan number	Redeemable Date	BAL 30 JUNE 2011	Received during the period	Redeemed / written off during the period	BAL 30 JUNE 2012
			R	R	R	R
LONG-TERM LOANS						
inca other borrowings			10,267,392		(507,495)	9,759,897
less : current portion transferred to current liabilities			-			-
local registered stock loans			507,485		607,635	(507,485)
Annuity loans			-		-	-
annuity loans			-		-	-
TOTAL EXTERNAL LOANS			9,759,907	-	100,140	9,252,402
LOAN OWNER :INCA INFRASTRUCTURE FINANCE CORPORATION LIMITED						
LOAN SHO2-P						
COUPON RATE 13.61 %						
TERMS OF REPAYMENT : 12 MONTHLY						
CAPITAL REPAYMENT : ANNUITY 30 NOV 2013						

THABA CHWEU LOCAL MUNICIPALITY

APPENDIX B

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT (INFRASTRUCTURE and other ASSETS)

as at 30 June 2012

	Cost / Revaluation				Accumulated Depreciation				Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Corrections	Closing Balance	Opening Balance	Depreciation	Disposals	Closing Balance			
	R	R	R	R	R	R	R	R	R	R	R
Land	49,831,972	-	-	49,831,972	-	-	-	-	-	77,489,633	127,321,605
Land : Lydenburg	516,200	-	-	516,200	-	-	-	-	-	82,293,695	82,809,895
Land : Mashising	2,569,436	-	-	2,569,436	-	-	-	-	-	(2,569,436)	-
Land : Kellysville	477,410	-	-	477,410	-	-	-	-	-	(477,410)	-
Land : Sabie	6,545,016	-	-	6,545,016	-	-	-	-	-	4,739,186	11,284,202
Land : Simile	9,176,160	-	-	9,176,160	-	-	-	-	-	(9,176,160)	-
Land : Leroro	1,000	-	-	1,000	-	-	-	-	-	(1,000)	-
Land : Graskop	23,566,650	-	-	23,566,650	-	-	-	-	-	5,098,429	28,665,079
Land : Other	-	-	-	-	-	-	-	-	-	4,562,429	4,562,429
Land : Harmony hill	6,980,100	-	-	6,980,100	-	-	-	-	-	(6,980,100)	-
Buildings	48,938,000	-	-	48,938,000	-	7,447,558	-	7,447,558	-	56,149,075	97,639,517
Buildings : Lydenburg	15,340,000	-	-	15,340,000	-	4,903,921	-	4,903,921	-	65,668,030	76,104,109
Buildings : Mashising	4,840,000	-	-	4,840,000	-	-	-	-	-	(4,840,000)	-
Buildings : Other	-	-	-	-	-	57,364	-	57,364	-	632,339	574,975
Buildings : Sabie	17,365,000	-	-	17,365,000	-	1,348,636	-	1,348,636	-	(3,017,274)	12,999,090
Buildings : Simile	5,155,000	-	-	5,155,000	-	-	-	-	-	(5,155,000)	-
Buildings : Leroro	121,000	-	-	121,000	-	-	-	-	-	(121,000)	-
Buildings : Graskop	5,897,000	-	-	5,897,000	-	1,137,637	-	1,137,637	-	3,201,981	7,961,344
Buildings : Harmony hill	220,000	-	-	220,000	-	-	-	-	-	(220,000)	-
Infrastructure	1,504,311,150	7,870,784	-	1,512,181,934	-	36,055,969	-	36,055,969	-	(769,883,852)	706,242,113
Reservoirs	76,230,000	-	-	76,230,000	-	753,801	-	753,801	-	(58,964,667)	16,511,533
Roads	908,484,000	-	-	908,484,000	-	15,185,643	-	15,185,643	-	(823,030,928)	70,267,429
Servitudes	-	-	-	-	-	-	-	-	-	179,085,372	179,085,372
Outfall Sewers	-	-	-	-	-	427,244	-	427,244	-	11,551,529	11,124,285
Reticulation Networks	59,600,000	-	-	59,600,000	-	2,310,158	-	2,310,158	-	49,921,096	107,210,939
Waste Water Treatment	51,000,000	-	-	51,000,000	-	1,255,874	-	1,255,874	-	(32,657,359)	17,086,768
Electricity Networks	-	349,267	-	349,267	-	5,643,237	-	5,643,237	-	153,937,076	148,643,106
Boreholes	1,110,000	-	-	1,110,000	-	295,610	-	295,610	-	2,658,715	3,473,105
Water Supply Distribution	-	7,521,518	-	7,521,518	-	4,630,852	-	4,630,852	-	55,970,729	58,861,394
Dams & Weirs	300,150,000	-	-	300,150,000	-	242,849	-	242,849	-	(296,345,808)	3,561,343
Water Treatment Works	26,600,000	-	-	26,600,000	-	463,580	-	463,580	-	(21,027,038)	5,109,382
Water Supply Network Pump Stations	12,325,000	-	-	12,325,000	-	810,243	-	810,243	-	(3,204,400)	8,310,357
Pipelines	68,812,150	-	-	68,812,150	-	-	-	-	-	(68,812,150)	-
Road Bridges	-	-	-	-	-	1,861,893	-	1,861,893	-	51,575,199	49,713,306
Sanitation Pump Stations	-	-	-	-	-	177,303	-	177,303	-	1,855,377	1,678,073
Water Bulk Mains	-	-	-	-	-	156,614	-	156,614	-	4,079,034	3,922,420
Storm Water	-	-	-	-	-	1,841,069	-	1,841,069	-	23,524,369	21,683,300

THABA CHWEU LOCAL MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT (INFRASTRUCTURE and other ASSETS)
as at 30 June 2012

	Cost / Revaluation				Accumulated Depreciation						
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Depreciation	Disposals	Closing Balance			
	R	R	R	R	R	R	R	R	R	R	
										328,484	328,484
Landfill sites										328,484	328,484
Landfill sites						4,603,510	-	4,603,510		28,922,553	24,319,043
Community Assets	-	-	-	-	-	8,018	-	8,018	-	62,252	54,234
Parks & Gardens	-	-	-	-	-	21,342	-	21,342	-	127,055	105,713
Airports	-	-	-	-	-	422,943	-	422,943	-	2,542,529	2,119,586
Clinics	-	-	-	-	-	153,483	-	153,483	-	718,470	564,987
Crèches / care centers	-	-	-	-	-	101,604	-	101,604	-	1,364,193	1,262,589
Museums	-	-	-	-	-	117,825	-	117,825	-	812,555	694,730
Taxi Ranks	-	-	-	-	-	265,376	-	265,376	-	1,429,643	1,164,268
Libraries	-	-	-	-	-	2,132,730	-	2,132,730	-	14,287,914	12,155,184
Recreation Grounds	-	-	-	-	-	1,212,385	-	1,212,385	-	6,536,958	5,324,573
Halls	-	-	-	-	-	167,803	-	167,803	-	1,040,983	873,180
Cemeteries	-	-	-	-	-	198,875	-	198,875	-	1,269,571	1,070,696
Heritage Assets	-	-	-	-	-	198,875	-	198,875	-	1,269,571	1,070,696
Historical Buildings	-	-	-	-	-		-		-	(605,724,537)	956,921,458
Total carried forward	1,603,081,122	7,870,784	-	1,610,951,906	-	48,305,912	-	48,305,912	-		

THABA CHWEU LOCAL MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2012

	Cost / Revaluation				Accumulated Depreciation				Transfers	Other movements	Carrying Value
	Opening Balance	Additions	corrections	Closing Balance	Opening Balance	Depreciation	Disposals	Closing Balance			
	R	R	R	R	R	R	R	R	R	R	R
Total brought forward	1,603,081,122	7,870,784	-	1,610,951,906	-	48,305,912	-	48,305,912	-	(605,724,537)	956,921,458
Other Assets											
Office Equipment furniture and fittings	117,626	-	(117,626)	-	-	2,121,499	-	2,121,499	-	4,893,009	2,771,510
Office Equipment	-	-	-	-	-	1,176,233	-	1,176,233	-	1,828,363	652,130
Emergency Equipment motor vehicles	644,109	-	(644,109)	-	-	210,451	-	210,451	-	387,170	176,719
Plant machinery and equipment	-	-	-	-	-	574,602	-	574,602	-	851,452	276,850
Refuse tankers	178,906	-	(178,906)	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	1,118,125	-	1,118,125	-	1,839,726	721,600
Computer Software (part of computer equipment)	99,213	-	-	99,213	99,213	99,213	-	99,213	-	-	-
Total other assets	1,039,854	-	(940,641)	99,213	99,213	5,300,123	-	5,300,123	-	9,799,720	4,598,809
Finance Lease Assets											
Total	1,604,120,976	7,870,784	(940,641)	1,611,051,119	99,213	53,606,035	-	53,606,035	-	(595,924,817)	961,520,267



THABA CHWEU LOCAL MUNICIPALITY
APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
as at 30 June 2012

	Cost / Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions OR (CHANGES)	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R
Executive & Council	98,769,972	66,585,149			165,355,121	-			-	165,355,121
Finance & Admin	-				-	-			-	-
Planning & Development	-				-	-			-	-
Health	-				-	-			-	-
Community & Social Services	-				-	-			-	-
Public Safety	-				-	-			-	-
Sport & Recreation	-				-	-			-	-
Environmental Protection	-				-	-			-	-
Waste Management	51,000,000	(32,657,359)			18,342,641	-	1,255,874		1,255,874	17,086,768
Road Transport	908,484,000	(817,773,216)			90,710,784	-	22,098,700		22,098,700	68,612,084
Water	485,227,150	(307,338,885)			177,888,265	-	11,825,141		11,825,141	166,063,124
Electricity	59,600,000	203,858,172			263,458,172	-	8,602,127		8,602,127	254,856,046
Other	1,039,854	299,272,104		(940,641)	299,371,317	-	9,824,193		9,824,193	289,547,124
Total	1,604,120,976	(588,054,034)	-	(940,641)	1,015,126,301	-	53,606,035	-	53,606,035	961,520,267

THABA CHWHEU MUNICIPALITY

APPENDIX D

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2011

2011	2011	2011	2012	2012	2012
Actual Income	Actual Expenditure	Surplus / (Deficit)	Actual Income	Actual Expenditure	Surplus / (Deficit)
A	R	R	R	R	R
54,565,843	72,086,316	52,479,527	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	21,271,936	(21,271,936)	NOTE BELOW	NOTE BELOW	NOTE BELOW
59,764,520	36,709,211	23,055,309	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	8,309,023	(8,309,023)	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	789,464	(789,464)	NOTE BELOW	NOTE BELOW	NOTE BELOW
591,249	2,332,305	(1,741,057)	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	894,637	(894,637)	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	2,395,974	(2,395,974)	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	6,848,939	(6,848,939)	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	418,893	(418,893)	NOTE BELOW	NOTE BELOW	NOTE BELOW
8,567,041	10,115,402	(1,548,361)	NOTE BELOW	NOTE BELOW	NOTE BELOW
8,766,424	2,633,737	6,132,687	NOTE BELOW	NOTE BELOW	NOTE BELOW
5,407,079	30,781,790	(25,374,711)	NOTE BELOW	NOTE BELOW	NOTE BELOW
25,593,319	10,913,681	14,679,638	NOTE BELOW	NOTE BELOW	NOTE BELOW
67,973,432	92,877,634	(24,899,202)	NOTE BELOW	NOTE BELOW	NOTE BELOW
3,476,980	42,616	3,434,364	NOTE BELOW	NOTE BELOW	NOTE BELOW
234,705,387	249,446,608	(14,741,221)	NOTE BELOW	NOTE BELOW	NOTE BELOW

30. 2012 INCOME BUDGET VARIANCE REPORT

The initial budget was compiled in terms of section 139 invoked on the Municipality during the preparation of the budget. The budget at that stage was compiled in terms of section 141 of the MFMA which indicates criteria for financial recovery plans

142. (1) A financial recovery plan must be aimed at securing the municipality's ability to meet its obligations to provide basic services or its financial commitments, and such a plan, whether for a mandatory or discretionary intervention—

(a) must—

(i) identify the financial problems of the municipality;

(ii) be designed to place the municipality in a sound and sustainable financial condition as soon as possible;

(iii) state the principal strategic objectives of the plan, and ways and means for achieving those objectives;

(iv) set out a specific strategy for addressing the municipality's financial problems, including a strategy for reducing unnecessary expenditure and increasing the collection of revenue, as may be necessary;

(v) identify the human and financial resources needed to assist in resolving financial problems, and where those resources are proposed to come from;

(vi) describe the anticipated time frame for financial recovery, and milestones to be achieved; and

(vii) identify what actions are necessary for the implementation of the plan, distinguishing between actions to be taken.

During the financial year under review the new management took over from the administrator during October and section 139 was rescinded. It follows that the situation changed from an emergency recovery plan to an operational non section 139 entity. During the latter period the situation was stabilized and we are still busy with that process. A mid year assessment was done and the council made some operational decisions upon that submission. It must also be noted that only during January the prior year AFS were compiled, section 74 reporting instituted as well as a variety of other MFMA management decisions. It thus follows that the budget which was an emergency recovery plan in terms of section 140 of the MFMA were operationally adjusted and even certain account CPS allocations corrected. This resulted in a unfortunate situation where the prior budget cannot be effectively compared with the actual figures.

BUDGET 2011	ACTUAL 2012	VAR %	NOTE	DEPARTMENT	REASON FOR VARIANCE
1,000.00	92.12%	92.12%	0001	MUNICIPAL MANAGER	Due to recovery plan conversion to operational management
-	-2.64%	-2.64%	0523	TOWN PLANNING	Due to recovery plan conversion to operational management
-	21.60%	21.60%	0511	MUNICIPAL BUILDING	Due to recovery plan conversion to operational management
-	23.91%	23.91%	0469	TRAFFIC	Due to recovery plan conversion to operational management
-	42.45%	42.45%	0420	ASSESSMENT RATES	Due to recovery plan conversion to operational management
-	43.68%	43.68%	0370	FLATS	Due to recovery plan conversion to operational management
-	72.30%	72.30%	0560	WATER	Due to recovery plan conversion to operational management
-	86.14%	86.14%	0570	WASTE WATER MANAGEMENT	Due to recovery plan conversion to operational management
-	90.66%	90.66%	0111	DONATIONS/GRANTS	Due to recovery plan conversion to operational management
-	96.51%	96.51%	0360	MUNICIPAL HOUSING	Due to recovery plan conversion to operational management
-	97.48%	97.48%	0215	MSIG	Due to recovery plan conversion to operational management
-	100.00%	100.00%	0540	ELECTRICITY	Due to recovery plan conversion to operational management
-	100.61%	100.61%	0463	LICENSING	Due to recovery plan conversion to operational management
-	105.57%	105.57%	0447	GRASSCOP RESORT	Due to recovery plan conversion to operational management
-	109.82%	109.82%	0410	LIBRARIES	Due to recovery plan conversion to operational management
-	110.00%	110.00%	0420	CEMETRIES	Due to recovery plan conversion to operational management
-	123.98%	123.98%	0353	TOWNLANDS	Due to recovery plan conversion to operational management
-	127.16%	127.16%	0445	CARAVAN PARK	Due to recovery plan conversion to operational management
-	128.86%	128.86%	0430	MUSEUMS	Due to recovery plan conversion to operational management
-	135.85%	135.85%	0563	WATER LERORO	Due to recovery plan conversion to operational management
-	139.58%	139.58%	0449	WASHING GAME RESERVE	Due to recovery plan conversion to operational management
-	200.82%	200.82%	0303	ADMINISTRATION	Due to recovery plan conversion to operational management
-	204.45%	204.45%	0435	MARKET STALLS	Due to recovery plan conversion to operational management
-	294.69%	294.69%	0521	BUILDING CONTROL AND INSPECTION	Due to recovery plan conversion to operational management
-	460.73%	460.73%	0365	HOSTELS	Due to recovery plan conversion to operational management
-	885.99%	885.99%	0211	REVENUE MANAGEMENT	Due to recovery plan conversion to operational management
-	1229.02%	1229.02%	0203	SUPPLY CHAIN MANAGEMENT	Due to recovery plan conversion to operational management
-	2000.00%	2000.00%	0503	PROJECT MANAGEMENT UNIT	Due to recovery plan conversion to operational management
-	0.00	0.00	0109	COUNCIL AND GENERAL	Due to recovery plan conversion to operational management
-	0.00	0.00	0201	BUDGET AND TREASURY OFFICE	Due to recovery plan conversion to operational management
-	0.00	0.00	0307	OCCUPATIONAL HEALTH SERVICES	Due to recovery plan conversion to operational management
-	0.00	0.00	0309	HUMAN RESOURCE MANAGEMENT	Due to recovery plan conversion to operational management
-	0.00	0.00	0505	TECHNICAL AND ENGINEERING	Due to recovery plan conversion to operational management

30 JUNE 2012 EXPENDITURE BUDGET VARIANCE REPORT

BUDGET 2012	ACTUAL 2012	VARIANCE 2012	VOTE	DEPARTMENT IN GL	
312,537,873.00	326,360,198.00	104,42%			
729,533.00	70,224.79	9.65%	0301	INSTITUTIONAL DEVELOPMENT	Due to recovery plan conversion to operational management
60,313.00	10,105.00	16.75%	0449	MASHISHING GAME RESERVE	Due to recovery plan conversion to operational management
731,153.00	148,845.97	20.36%	0200	FINANCIAL VIABILITY	Due to recovery plan conversion to operational management
977,297.00	249,810.81	25.56%	0213	CREDIT CONTROL & DEBT COLLECTION	Due to recovery plan conversion to operational management
1,174,348.00	473,449.70	40.32%	0041	SERVICE DELIVERY UNIT MANAGERS	Due to recovery plan conversion to operational management
294,198.00	123,000.68	41.81%	0003	MM SECRETARY	Due to recovery plan conversion to operational management
785,642.00	372,206.77	47.36%	0521	BUILDING CONTROL AND INSPECTION	Due to recovery plan conversion to operational management
16,131,831.00	8,256,721.18	51.19%	0220	ASSESSMENT RATES	Due to recovery plan conversion to operational management
1,211,696.00	653,799.05	53.91%	0033	ECONOMIC DEVELOPMENT	Due to recovery plan conversion to operational management
2,564,337.00	1,565,267.60	57.19%	0467	SECURITY	Due to recovery plan conversion to operational management
1,204,252.00	691,771.47	57.44%	0523	TOWN PLANNING	Due to recovery plan conversion to operational management
5,264,946.00	3,255,469.77	61.85%	0505	TECHNICAL AND ENGINEERING	Due to recovery plan conversion to operational management
1,260,328.00	781,184.98	61.93%	0023	COMMUNICATIONS AND MARKETING	Due to recovery plan conversion to operational management
2,040,000.00	1,265,576.31	62.04%	0215	FINANCE MANAGEMENT GRANT	Due to recovery plan conversion to operational management
307,631.00	191,244.63	62.26%	0103	MAYORAL SERVICES	Due to recovery plan conversion to operational management
123,049.00	78,734.40	64.00%	0370	IMPAIRMENT LOSSES	Due to recovery plan conversion to operational management
1,398,322.00	920,336.15	65.87%	0301	MUNICIPAL MANAGER	Due to recovery plan conversion to operational management
1,270,165.00	827,522.37	67.17%	0445	CARAVAN PARK	Due to recovery plan conversion to operational management
21,018,795.00	14,257,825.92	70.24%	0570	WASTE WATER MANAGEMENT	Due to recovery plan conversion to operational management
3,433,600.00	2,631,070.53	76.65%	0140	PARKS	Due to recovery plan conversion to operational management
5,276,800.00	4,047,723.55	76.74%	0111	DONATIONS	Due to recovery plan conversion to operational management
2,360,375.00	1,815,924.42	76.93%	0525	MECHANICAL WORKSHOP	Due to recovery plan conversion to operational management
3,786,937.00	2,953,832.43	78.07%	0309	HUMAN RESOURCE MANAGEMENT	Due to recovery plan conversion to operational management
546,960.00	436,077.02	79.73%	0010	INTERNAL AUDIT	Due to recovery plan conversion to operational management
7,095,627.00	5,731,082.41	80.76%	0211	REVENUE MANAGEMENT	Due to recovery plan conversion to operational management
5,758,103.00	3,108,183.43	53.70%	0180	EMERGENCY AID DISASTER MANAGEMENT	Due to recovery plan conversion to operational management
6,507,559.00	565,502.00	83.19%	0105	SLAKER	Due to recovery plan conversion to operational management
1,334,499.00	1,149,358.75	86.13%	0106	SPEAKER SECRETARY	Due to recovery plan conversion to operational management
1,079,576.00	980,925.19	90.83%	0365	PROJECT MANAGEMENT UNIT	Due to recovery plan conversion to operational management
437,843.00	398,168.49	90.94%	0230	HOSTELS	Due to recovery plan conversion to operational management
747,217.00	698,629.33	93.42%	0401	STORES	Due to recovery plan conversion to operational management
542,241.00	509,436.20	93.95%	0031	SOCIAL DEVELOPMENT SERVICES; DIRECTOR	Due to recovery plan conversion to operational management
1,905,917.00	1,793,877.05	94.02%	0410	INTEGRATED DEVELOPMENT PLANNING	Due to recovery plan conversion to operational management
12,181,186.00	11,474,050.59	94.19%	0485	LIBRARIES	Due to recovery plan conversion to operational management
974,771.00	927,397.82	95.14%	0183	WASTE MANAGEMENT SERVICES	Due to recovery plan conversion to operational management
4,328,924.00	4,175,153.79	96.46%	0513	CLINICS	Due to recovery plan conversion to operational management
599,437.00	584,093.49	97.14%	0430	WATER LEROO	Due to recovery plan conversion to operational management
2,311,170.00	2,268,964.82	98.18%	0035	MUSEUMS	Due to recovery plan conversion to operational management
398,546.00	398,337.80	99.95%	0433	LIAISON OFFICER	Due to recovery plan conversion to operational management
970,137.00	976,991.47	100.71%	0101	BAMBANANI	Due to recovery plan conversion to operational management
367,364.00	371,721.28	101.21%	0480	MAYOR	Due to recovery plan conversion to operational management
1,700.00	1,236.74	103.06%	0353	ENVIRONMENTAL HEALTH	Due to recovery plan conversion to operational management
10,354,690.00	10,750,785.80	104.90%	0469	TOWN LANDS	Due to recovery plan conversion to operational management
98,121,117.00	107,079,536.26	111.03%	0540	TRAFFIC	Due to recovery plan conversion to operational management
12,492,295.60	13,179,421.14	105.50%	0550	ELECTRICITY	Due to recovery plan conversion to operational management
1,033,017.00	1,038,046.49	106.30%	0351	STREET LIGHTS	Due to recovery plan conversion to operational management
2,107,150.00	2,330,001.05	110.67%	0511	HOUSING	Due to recovery plan conversion to operational management
892,567.00	980,091.78	110.92%	0408	MUNICIPAL BUILDING	Due to recovery plan conversion to operational management
2,035,586.00	2,366,715.06	116.24%	0103	SECRETARIAT	Due to recovery plan conversion to operational management
13,054,461.00	16,270,367.00	124.63%	0203	LEGAL DEPARTMENT	Due to recovery plan conversion to operational management
668,375.00	873,512.22	130.69%	0501	ADMINISTRATION	Due to recovery plan conversion to operational management
804,474.00	1,113,987.49	138.47%	0447	SUPPLY CHAIN MANAGEMENT	Due to recovery plan conversion to operational management
2,038,469.00	2,966,332.87	145.57%	9701	ENGINEERING DIRECTOR	Due to recovery plan conversion to operational management
13,407,834.00	27,516,543.53	149.75%	0107	CAPITAL PROJECTS	Due to recovery plan conversion to operational management
1,070,834.00	1,615,199.93	150.79%	0201	FULL TIME COUNCILLORS	Due to recovery plan conversion to operational management
13,143,645.00	22,114,590.83	168.25%	0209	BUDGET & TREASURY OFFICE	Due to recovery plan conversion to operational management
7,565,602.00	11,019,404.49	145.66%	0527	COUNCIL & GENERAL	Due to recovery plan conversion to operational management
5,271,238.00	10,311,634.30	195.67%	0565	AIRPORT	Due to recovery plan conversion to operational management
2,088,037.00	6,769,913.40	324.22%	0420	WATER RURAL	Due to recovery plan conversion to operational management
227,352.00	1,072,612.50	471.78%		LANDFILL SITES	Due to recovery plan conversion to operational management
				CEMETRIES	Due to recovery plan conversion to operational management



THABA CHWEU LOCAL MUNICIPALITY

APPENDIX E

STATEMENT OF COMPARATIVE AND ACTUAL INFORMATION as at 30 June 2012

Description	Original Budget	Budget Adjustments (i.t.o. s28 & s31 Of The MFMA)	Virement (i.t.o. Council Approved By- law)	Final Budget	Actual Income	Unauthorised Expenditure	Variance	Actual Income As % Of Final Budget	Actual Outcome As % Of Original Budget
	1	2	3	4	5	6	7	8	9
	R	R	R	R	R	R	R	R	R
Financial Performance									
Property Rates		0.00	0.00	-88,158,311.00	34,816,500.69			-40.41%	-40.41%
Service Charges		0.00	0.00	-118,273,442.00	114,598,313.26			-96.89%	-96.89%
Investment Revenue		0.00	0.00	-700,000.00	6,237,501.00			-891.07%	-891.07%
Transfers Recognised - Operational		0.00	0.00	-70,680,500.00	95,160,913.13			-134.64%	-134.64%
Other Own Revenue		0.00	0.00	-6,852,100.00	19,503,632.65			-283.40%	-283.40%
Total Revenue (Excluding Capital Transfers & Contributions)	0.00	0.00	0.00	-282,651,853.00	270,316,760.73	0.00	0.00	-95.62%	-95.62%
Employee Costs		0.00	0.00	98,357,338.00	91,688,523.77			93.22%	93.22%
Remuneration Of Councillors		0.00	0.00	3,726,659.00	7,261,687.81			194.86%	194.86%
Finance Charges		0.00	0.00	2,040,000.00	1,563,607.30			76.65%	76.65%
Materials & Bulk Purchases		0.00	0.00	84,886,814.00	93,307,066.39			109.92%	109.92%
Transfers & Grants		0.00	0.00	1,776,800.00	32,688,097.86			1834.09%	1834.09%
Other Expenditures		0.00	0.00	75,698,914.00	94,359,328.96	25,442,935.21	26.96%	124.65%	91.04%
Total Expenditure	0.00	0.00	0.00	266,486,525.00	320,768,312.09	25,442,935.21	26.96%	120.37%	120.37%
Surplus/(Deficit)	0.00	0.00	0.00	-16,207,825.00	-50,451,551.36	-25,442,935.21	-26.96%	311.28%	311.28%
Transfers Recognised - Capital		0.00	0.00		0.00				
Contributions Recognised - Capital & Contributed Assets		0.00	0.00		0.00				
Surplus/(Deficit) After Capital Transfers & Contributions	0.00	0.00	0.00	-16,207,825.00	-50,451,551.36	-25,442,935.21	-26.96%	311.28%	311.28%
Share Of Surplus/(Deficit) Of Associate		0.00	0.00		0.00				
Surplus/(Deficit For The Year)	0.00	0.00	0.00	-16,207,825.00	-50,451,551.36	-25,442,935.21	-26.96%	311.28%	311.28%
Capital Expenditure & Funds Sources									
Capital Expenditure									
Transfers Recognised - Capital	0.00	0.00	0.00	0.00	26,690,000.00				
Public Contributions & Donations	0.00	0.00	0.00	0.00	0.00				
Borrowing	0.00	0.00	0.00	0.00	0.00				
Internally Generated Funds	0.00	0.00	0.00	0.00	0.00				
Total Sources Of Capital Funds	0.00	0.00	0.00	0.00	26,690,000.00	0.00	0.00	0.00	0.00